



環球醫療金融與技術諮詢服務有限公司

UNIVERSAL MEDICAL FINANCIAL & TECHNICAL ADVISORY SERVICES COMPANY LIMITED

(incorporated in Hong Kong with limited liability)

Stock code : 2666

GLOBAL OFFERING



Joint Sponsors and Joint Global Coordinators
(in alphabetical order)

**Goldman
Sachs**

NOMURA

Joint Bookrunners and Joint Lead Managers

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CCB International

CITIC CLSA
Securities

VMS 鼎珮

CMS 招商证券

IMPORTANT

IMPORTANT: If you are in any doubt about any of the contents of this prospectus, you should obtain independent professional advice.



Universal Medical Financial & Technical Advisory Services Company Limited

環球醫療金融與技術諮詢服務有限公司

(Incorporated in Hong Kong with limited liability)

GLOBAL OFFERING

Number of Offer Shares : 423,189,500 Shares (subject to the Over-Allotment Option)
Number of International Placing Shares : 380,870,500 Shares (subject to adjustment and the Over-Allotment Option)
Number of Hong Kong Offer Shares : 42,319,000 Shares (subject to adjustment)
Maximum Offer Price : HK\$10.00 per Offer Share plus brokerage of 1.0%, SFC transaction levy of 0.0027% and Stock Exchange trading fee of 0.005% (payable in full on application in Hong Kong dollars and subject to refund)
Stock code : 2666

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ICBC 工银国际 CCB International 建银国际 中信证券 CITIC CLSA Securities VMS 鼎珮 CMS 招商证券

Hong Kong Exchanges and Clearing Limited, The Stock Exchange of Hong Kong Limited and Hong Kong Securities Clearing Company Limited take no responsibility for the contents of this prospectus, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this prospectus.

A copy of this prospectus, having attached thereto the documents specified in Appendix V—"Documents Delivered to the Registrar of Companies and Available for Inspection" to this prospectus, has been registered by the Registrar of Companies in Hong Kong as required by Section 38D of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong). The Securities and Futures Commission and the Registrar of Companies in Hong Kong take no responsibility for the contents of this prospectus or any other document referred to above.

Please see "Risk Factors" in this prospectus for a discussion of certain risks that you should consider before investing in the Shares. The Offer Price is expected to be fixed by agreement between the Joint Global Coordinators (on behalf of the Underwriters) and us on the Price Determination Date. The Price Determination Date is expected to be on or around Tuesday, June 30, 2015 and, in any event, not later than Tuesday, July 7, 2015. The Offer Price will be not more than HK\$10.00 and is currently expected to be not less than HK\$7.68, unless otherwise announced. If, for any reason, the Offer Price is not agreed by Tuesday, July 7, 2015 between the Joint Global Coordinators (on behalf of the Underwriters) and us, the Global Offering will not proceed and will lapse.

Applicants for Hong Kong Offer Shares must pay, on application, the maximum Offer Price of HK\$10.00 for each Offer Share, together with a 1.0% brokerage fee, 0.0027% SFC transaction levy and 0.005% Stock Exchange trading fee, subject to refund if the Offer Price is lower than HK\$10.00 as finally determined.

The Joint Global Coordinators (on behalf of the Underwriters) may, with our consent, reduce the number of Offer Shares being offered under the Global Offering and/or the indicative Offer Price range at any time on or prior to the morning of the last day for lodging applications under the Hong Kong Public Offering. In such a case, notices of the reduction in the number of Offer Shares and/or the indicative Offer Price range will be published in the South China Morning Post (in English) and the Hong Kong Economic Times (in Chinese) not later than the morning of the last day for lodging applications under the Hong Kong Public Offering. For more details, please see "Structure of the Global Offering" and "How to Apply for the Hong Kong Offer Shares" in this prospectus. Please also see "Underwriting—Underwriting Arrangements and Expenses—Hong Kong Public Offering—Grounds for Termination" in this prospectus.

The obligations of the Hong Kong Underwriters under the Hong Kong Underwriting Agreement to subscribe or purchase, and to procure applicants for the subscription or purchase of, the Hong Kong Offer Shares, are subject to termination by the Joint Global Coordinators (on behalf of the Underwriters) if certain grounds arise prior to 8:00 a.m. on the Listing Date. Such grounds are set out in "Underwriting" in this prospectus. It is important that you refer to that section for further details.

The Offer Shares have not been and will not be registered under the U.S. Securities Act and may not be offered or sold, pledged or transferred within the United States, except in transactions exempt from, or not subject to, the registration requirements of the U.S. Securities Act. The Offer Shares are being offered and sold solely to QIBs as defined in Rule 144A pursuant to an exemption from registration under the U.S. Securities Act and outside the United States in reliance on Regulation S under the U.S. Securities Act.

June 24, 2015

EXPECTED TIMETABLE⁽¹⁾

Latest time to complete electronic applications under
White Form eIPO service through the designated
website www.eipo.com.hk⁽²⁾ 11:30 a.m. on Monday, June 29, 2015

Application lists open⁽³⁾ 11:45 a.m. on Monday, June 29, 2015

Latest time to lodge **WHITE** and **YELLOW**
Application Forms 12:00 noon on Monday, June 29, 2015

Latest time to complete payment for
White Form eIPO applications by effecting
internet banking transfer(s) or
PPS payment transfer(s) 12:00 noon on Monday, June 29, 2015

Latest time to give **electronic application**
instructions to HKSCC⁽⁴⁾ 12:00 noon on Monday, June 29, 2015

Application lists close⁽³⁾ 12:00 noon on Monday, June 29, 2015

Expected Price Determination Date⁽⁵⁾ Tuesday, June 30, 2015

Announcement of

- the Offer Price;
- the level of applications in the Hong Kong Public Offering;
- the level of indications of interest in the International Placing; and
- the basis of allotment of the Hong Kong Public Offering

is expected to be published in the South China Morning Post
(in English) and the Hong Kong Economic Times (in Chinese)
on or before Tuesday, July 7, 2015

A full announcement of the Hong Kong Public Offering
containing the information above will be published
on the website of the Stock Exchange at
www.hkexnews.hk⁽⁶⁾ and our website at
www.universalsm.com⁽⁶⁾ from Tuesday, July 7, 2015

Results of allocations in the Hong Kong Public Offering
will be available at www.iporeresults.com.hk with
a “search by ID” function from Tuesday, July 7, 2015

EXPECTED TIMETABLE⁽¹⁾

Despatch of Share certificates, White Form e-Refund payment instructions and refund cheques in respect of wholly or partially successful applications on or before⁽⁷⁾⁽⁸⁾⁽⁹⁾ Tuesday, July 7, 2015

Dealings in Shares on the Stock Exchange expected to commence at 9:00 a.m. on Wednesday, July 8, 2015

Notes:

- (1) Unless otherwise stated, all times and dates refer to Hong Kong local times and dates. Details of the structure of the Global Offering, including its conditions, are set out in “Structure of the Global Offering” in this prospectus.
- (2) You will not be permitted to submit your application through the designated website at www.eipo.com.hk after 11:30 a.m. on the last day for submitting applications. If you have already submitted your application and obtained an application reference number from the designated website prior to 11:30 a.m., you will be permitted to continue the application process (by completing payment of application monies) until 12:00 noon on the last day for submitting applications, when the application lists close.
- (3) If there is a “black” rainstorm warning or a tropical cyclone warning signal number 8 or above in force in Hong Kong at any time between 9:00 a.m. and 12:00 noon on Monday, June 29, 2015, the application lists will not open and close on that day. For more details, please see “How to Apply for the Hong Kong Offer Shares—10. Effect of bad weather on the opening of the application lists” in this prospectus. If the application lists do not open and close on Monday, June 29, 2015 or if there is a tropical cyclone warning signal number 8 or above or a “black” rainstorm warning signal in force in Hong Kong that may affect the dates mentioned in “Expected Timetable”, an announcement will be made by us in such event.
- (4) Applicants who apply for Hong Kong Offer Shares by giving **electronic application instructions** to HKSCC should refer to “How to Apply for the Hong Kong Offer Shares—6. Applying By Giving Electronic Application Instructions to HKSCC via CCASS” in this prospectus.
- (5) We expect to determine the Offer Price by agreement with the Joint Global Coordinators (on behalf of the Underwriters) on the Price Determination Date. The Price Determination Date is expected to be on or around Tuesday, June 30, 2015 and, in any event, not later than Tuesday, July 7, 2015. If, for any reason, the Offer Price is not agreed between the Joint Global Coordinators (on behalf of the Underwriters) and us by Tuesday, July 7, 2015, the Hong Kong Public Offering and the International Placing will not proceed. Notwithstanding that the Offer Price may be fixed at below the maximum Offer Price of HK\$10.00 per Share payable by applicants for Hong Kong Offer Shares under the Hong Kong Public Offering, applicants for the Hong Kong Offer Shares are required to pay, on application, the maximum Offer Price of HK\$10.00 for each Share, together with the brokerage fee of 1.0%, a Stock Exchange trading fee of 0.005% and a SFC transaction levy of 0.0027% but will be refunded the surplus application monies as provided for in “How to Apply for the Hong Kong Offer Shares” in this prospectus.
- (6) None of the website or any of the information contained on the website forms part of this prospectus.
- (7) Share certificates for the Offer Shares will become valid certificates of title at 8:00 a.m. on Wednesday, July 8, 2015 provided that (i) the Global Offering has become unconditional in all respects and (ii) neither of the Underwriting Agreements has been terminated in accordance with its terms.
- (8) e-Refund payment instructions/refund cheques will be issued in respect of wholly or partially unsuccessful applications pursuant to the Hong Kong Public Offering and also in respect of wholly or partially successful applications in the event that the final Offer Price is less than the price payable per Offer Share on application. Part of the applicant’s Hong Kong Identity Card number or passport number, or, if the application is made by joint applicants, part of the Hong Kong Identity Card number or passport number of the first-named applicant, provided by the applicant(s) may be printed on the refund cheque, if any. Such data would also be transferred

EXPECTED TIMETABLE⁽¹⁾

to a third party for refund purposes. Banks may require verification of an applicant's Hong Kong Identity Card number or passport number before cashing the refund cheque. Inaccurate completion of an applicant's Hong Kong Identity Card number or passport number may lead to delays in encashment of, or may invalidate, the refund cheque.

- (9) Applicants who have applied on **WHITE** Application Forms or **White Form eIPO** for 1,000,000 or more Hong Kong Offer Shares under the Hong Kong Public Offering and have provided all required information in their applications may collect refund cheques (where applicable) and/or Share certificates (where applicable) in person from our Share Registrar, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong between 9:00 a.m. to 1:00 p.m. on Tuesday, July 7, 2015. Applicants being individuals who opt for personal collection may not authorize any other person to make collection on their behalf. Applicants being corporations who opt for personal collection must attend through their authorized representatives bearing letters of authorization from their corporation stamped with the corporation's chop. Both individuals and authorized representatives of corporations must produce, at the time of collection, evidence of identity acceptable to the Share Registrar.

Applicants who have applied on **YELLOW** Application Forms for 1,000,000 or more Hong Kong Offer Shares under the Hong Kong Public Offering may collect their refund cheques, if any, in person but may not elect to collect their share certificates as such share certificates will be deposited into CCASS for the credit of their designated CCASS participants' stock accounts or CCASS Investor Participant stock accounts, as appropriate. The procedures for collection of refund cheques for **YELLOW** Application Form applicants are the same as those for **WHITE** Application Form applicants.

Applicants who apply for Hong Kong Offer Shares by giving electronic application instructions to HKSCC should refer to "How to Apply for the Hong Kong Offer Shares—14. Despatch/Collection of Share Certificates and Refund Monies—(iv) If you Apply via Electronic Application Instructions to HKSCC" in this prospectus for details. Uncollected share certificates and refund cheques will be despatched by ordinary post, at the applicants' risk, to the addresses specified in the relevant applications. Further information is set out in "How to Apply for the Hong Kong Offer Shares—13. Refund of Application Monies" and "How to Apply for the Hong Kong Offer Shares—14. Despatch/Collection of Share Certificates and Refund Monies" in this prospectus.

The above expected timetable is a summary only. If there is a "black" rainstorm warning or a tropical cyclone warning signal number 8 or above in force in Hong Kong at any time between 9:00 a.m. and 12:00 noon on Monday, June 29, 2015, the application lists will not open and close on that day. Please refer to "How to Apply for the Hong Kong Offer Shares—10. Effect of Bad Weather on the Opening of the Application Lists" in this prospectus. You should refer to "Structure of the Global Offering" and "How to Apply for the Hong Kong Offer Shares" in this prospectus for details of the structure of the Global Offering, including the conditions of the Global Offering, and the procedures for application for the Hong Kong Offer Shares.

CONTENTS

This prospectus is issued by our Company solely in connection with the Hong Kong Public Offering and the Hong Kong Offer Shares and does not constitute an offer to sell or a solicitation of an offer to buy any security other than the Hong Kong Offer Shares offered by this prospectus pursuant to the Hong Kong Public Offering. This prospectus may not be used for the purpose of, and does not constitute, an offer or invitation in any other jurisdiction or in any other circumstances. No action has been taken to permit a public offering of the Offer Shares in any jurisdiction other than Hong Kong, and no action has been taken to permit the distribution of this prospectus in any jurisdiction other than Hong Kong. The distribution of this prospectus and the offering and sale of the Offer Shares in other jurisdictions are subject to restrictions and may not be made except as permitted under the applicable securities laws of such jurisdictions pursuant to registration with or authorization by the relevant securities regulatory authorities or an exemption therefrom.

You should rely only on the information contained in this prospectus and the Application Forms to make your investment decision. We have not authorized anyone to provide you with information that is different from what is contained in this prospectus. Any information or representation not made in this prospectus must not be relied on by you as having been authorized by us, the Joint Sponsors, the Joint Global Coordinators, the Joint Bookrunners, the Joint Lead Managers, the Underwriters, any of their respective directors or any other person or party involved in the Global Offering.

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SUMMARY

This summary aims to give you an overview of the information contained in this prospectus. As it is a summary, it does not contain all the information that may be important to you. You should read the whole document before you decide to invest in the Offer Shares. In this prospectus, integrated healthcare services providers refer to companies (1) that offer integrated healthcare services comprising multiple services to hospitals or other healthcare institutions and (2) whose annual revenue from the healthcare industry represent more than 30.0% of its total revenue. See “Industry Overview—Integrated Healthcare Solutions”.

OVERVIEW

We are the largest integrated healthcare services provider in China in terms of revenue in 2014, according to Frost & Sullivan. We offer our hospital customers a variety of integrated healthcare services, including (1) equipment financing, which constitutes the principal component of our business, (2) healthcare industry, equipment and financing advisory services and (3) clinical department upgrade services. We provide equipment financing in the form of financial leasing services, which contributed 54.5%, 59.2% and 66.6% of our total revenue before business tax and surcharges in 2012, 2013 and 2014, respectively. Our clinical department upgrade services integrate clinical department upgrade advisory services, medical equipment sourcing services and operating lease services, assisting our hospital customers in establishing or upgrading select clinical departments. Our distinctive business model of providing integrated healthcare services to hospitals is backed by our strong platform of resources, which includes internal and external industry experts, financing capabilities and medical equipment in-licensing capabilities. As of December 31, 2014, our sales and marketing team covered a customer base of over 1,000 hospitals, 741 of which generated revenue for us during the Track Record Period.

We strategically target hospitals with high growth potential, and therefore have selected regional and county level hospitals as our key customer base. According to Frost & Sullivan, revenue of regional and county level hospitals is expected to grow at a CAGR of 18.5% between 2014 and 2018, compared to 17.3% for China’s hospitals’ overall growth during the same period. In 2012, 2013 and 2014, regional and county level hospitals accounted for 95.9%, 96.6% and 97.2% of our hospital customer base measured by number, respectively.

Our equipment financing, provided in the form of financial leasing services, form the backbone of our business model. We focus our financial leasing services on China’s fast growing healthcare industry. During the Track Record Period, an average of 73.3% of our net lease receivables before provision were attributable to customers in the healthcare industry as calculated based on average month-end receivables. According to Frost & Sullivan, we had the highest business focus on the healthcare industry among the 10 largest MOFCOM-approved financial leasing companies in China. We also cross sell financial leasing services for educational and other projects.

SUMMARY

We have developed certain clinical department upgrade services that target highly prevalent major diseases, and most regional and county level hospitals require these upgrade services for their clinical capabilities to provide effective treatment to patients. In particular, we launched our CVA project solutions to regional and county level hospitals in 2011 to improve their CVA screening, treatment and prevention capabilities. We selected CVA as an area to focus on as it has a patient base of more than 10 million people and resulted in an annual expenditure of RMB40 billion in China in 2014. As of the Latest Practicable Date, we had entered into agreements in respect of our CVA project solutions with 55 hospitals in 22 provinces in China.

We grew rapidly during the Track Record Period. In 2012, 2013 and 2014, our revenue was RMB593.3 million, RMB981.5 million and RMB1,552.7 million, respectively, representing a CAGR of 61.8% between 2012 and 2014. In the same period, we had gross profit of RMB388.5 million, RMB632.8 million and RMB933.1 million, respectively, representing a CAGR of 55.0%.

OUR INTEGRATED BUSINESS MODEL

Leveraging our industry knowledge and experience, we have established a distinctive business model. We offer our customers a variety of integrated services, backed by our platform of resources, which include internal and external industry experts, financing capabilities and medical equipment in-licensing capabilities.

Our integrated services encompass (1) equipment financing, (2) healthcare industry, equipment and financing advisory services and (3) clinical department upgrade services. Our clinical department upgrade services integrate clinical department upgrade advisory services, medical equipment sourcing services and operating lease services.

- *Industry specialized and customized, equipment financing.* We have developed industry focused and customized equipment financing to differentiate our services from other equipment financing service providers in China.
- *Industry, equipment and financing advisory services.* We offer industry, equipment and financing advisory services to customers typically as part of our integrated services, with a focus on the healthcare industry.
- *Clinical department upgrade advisory.* Through our clinical department upgrade advisory services, we provide analysis and advice regarding clinical department upgrades and collaborate with hospital customers to develop and implement phased plans to achieve their desired outcomes.
- *Operating lease.* To serve hospital customers who strive to acquire or upgrade medical equipment but lack expertise to operate and manage the relevant clinical department or medical equipment, we offer operating leases to assist with operation and management and in return receive a pre-determined percentage of profit derived from the medical equipment as rental payments.

SUMMARY

- *Global high-tech medical equipment sourcing and in-licensing.* We help hospital customers identify and source the most suitable and cost-effective models of medical equipment. To complement and support our global high-tech medical equipment sourcing, we introduced our equipment in-licensing services for our medical equipment suppliers.

We intend to leverage our existing resources platform and large customer base to expand the spectrum of our healthcare services, including primarily new clinical department upgrade services, hospital digitalization services and hospital management services. We expect that these new services will not only generate additional revenue for us, but also create significant cross selling with our existing healthcare services. See “Business—Our Strategies” beginning on page 122 and “Future Plans and Use of Proceeds” beginning on page 279 for details.

The following table sets forth a breakdown of revenue from our main services for the periods indicated:

	Year ended December 31,					
	2012		2013		2014	
	Amount	% of total	Amount	% of total	Amount	% of total
	(in thousands of RMB, except for percentages)					
Finance lease income	333,278	54.5%	588,212	59.2%	1,043,888	66.6%
Industry, equipment and financing advisory	239,631	39.2	350,985	35.3	444,859	28.4
Clinical department upgrade services						
Advisory income	9,001	1.5	19,516	2.0	42,830	2.7
Operating lease income	16,941	2.8	19,974	2.0	17,076	1.1
Sale of goods income	12,338	2.0	14,705	1.5	18,425	1.2
Others	4	0.0	13	0.0	438	0.0
Total revenue before business tax and surcharges	611,193	<u>100%</u>	<u>993,405</u>	<u>100%</u>	1,567,516	<u>100%</u>
Business tax and surcharges	(17,867)		(11,947)		(14,834)	
Total	<u>593,326</u>		<u>981,458</u>		<u>1,552,682</u>	

OUR SERVICES AND PRODUCTS

Industry Specialized and Customized Equipment Financing

Equipment financing constitutes the principal component of our business, contributing 54.5%, 59.2% and 66.6% of our total revenue before business tax and surcharges in 2012, 2013 and 2014, respectively. To satisfy customers’ needs, deepen customer relationships and mitigate pricing competition, we have developed industry focused and customized equipment financing to differentiate our services from other equipment financing service providers in China.

SUMMARY

Industry, Equipment and Financing Advisory Services

We offer industry, equipment and financing advisory services to customers typically as part of our integrated services. We strategically focus our advisory services on the healthcare industry. Our comprehensive advisory services are customized based on the specific needs and requirements of customers, with a focus on industry, equipment and financing perspectives.

Clinical Department Upgrade Services

Capitalizing on our coverage of over 1,000 hospitals and our industry know-how and resources, we have developed our clinical department upgrade services for hospital customers. In particular, since 2011, we have developed and currently offer CVA projects and other services. In 2012, 2013 and 2014, revenue from our clinical department upgrade services totaled RMB38.3 million, RMB54.2 million and RMB78.3 million, respectively. Through our strategic cooperation with Sino American Stroke Group, a joint initiative between China and the United States established in 2003 under the support of the Chinese government, consisting of a number of leading experts in the field of CVA surgery, we developed our innovative CVA project solutions that integrate awareness promotion and marketing support to facilitate the upgrade of CVA capabilities, medical training and support for medical professionals (including doctors and other medical personnel), standard CVA hospital operational procedures and management systems, and medical equipment and related financing. As of the Latest Practicable Date, we had entered into agreements in respect of our CVA project solutions with 55 hospital customers in 22 provinces in China.

OUR CUSTOMER BASE

Our customer base consists mainly of hospitals and other healthcare institutions, local governments and educational and other public institutions to which we provide our services. Our hospital customer base consists mainly of regional and county level hospitals whose revenue is greater than RMB100 million. In 2012, 2013 and 2014, 95.9%, 96.6% and 97.2% of our customer base measured by number, respectively, were regional and county level hospitals, and 50.9%, 53.5% and 56.7% of our customer base, respectively, had revenue of greater than RMB100 million. In 2014, 31.6% of our hospital customers were repeat customers to whom we had provided services in previous years. Our financial leasing customers in the education industry are primarily (1) local governments with whom we cooperate on educational projects and (2) universities in China.

SUMMARY

The following table sets forth a breakdown of our hospital customers by type for the periods indicated:

	Year ended December 31,					
	2012		2013		2014	
	number	% of total	number	% of total	number	% of total
Regional and County						
level hospitals	471	95.9%	602	96.6%	720	97.2%
Others	<u>20</u>	<u>4.1</u>	<u>21</u>	<u>3.4</u>	<u>21</u>	<u>2.8</u>
Total	<u>491</u>	<u>100.0%</u>	<u>623</u>	<u>100.0%</u>	<u>741</u>	<u>100.0%</u>

OUR SUPPLIERS

Our suppliers consist primarily of funding suppliers that provide us with loan facilities and other forms of financing and medical equipment suppliers. Our funding suppliers include banks and other financial institutions, as well as certain of our related parties. We obtain borrowings from these funding suppliers mainly to fund our financial leasing business. We act as the exclusive sales agent in China for certain medical equipment suppliers. We acquire medical equipment from them for on-sale to hospital customers in connection with our medical equipment sourcing services.

COMPETITIVE STRENGTHS

We believe that the following competitive strengths contribute to our success and differentiate us from our competitors:

- we are the largest integrated healthcare services provider in China, benefiting from China's fast growing healthcare industry;
- we offer healthcare industry specialized and fast growing equipment financing;
- our integrated clinical department upgrade services serve a large and yet unmet demand in regional and county level hospitals in China;
- we have a large customer base of hospitals with high growth potential;
- we possess strong international medical equipment in-licensing capabilities; and
- we have an experienced and stable management team and sound corporate governance.

SUMMARY

OUR STRATEGIES

We strive to become a world-class integrated healthcare services provider that plays a critical role in modernizing clinical capabilities of China's healthcare institutions. To accomplish this goal, we intend to leverage our existing resources platform and large hospital customer base to expand the spectrum of our healthcare services. We intend to continue to develop services tailored for regional and county level hospitals, which are our key customer base. In particular, we plan to implement the following strategies:

- continue to grow our medical equipment financing business focusing on the healthcare industry in a prudent manner;
- continue to develop clinical department upgrade services;
- explore opportunities to enter into the hospital management business; and
- develop hospital digitalization services by leveraging our existing customer base and deep industry knowledge.

RECENT DEVELOPMENTS

In connection with our efforts to develop hospital digitalization services, we recruited a core team of information technology system architects led by Mr. John Denning in March 2015. See "Business—Our Strategies—Develop hospital digitalization services by leveraging our existing customer base and deep industry knowledge" for details.

Due to our continuing efforts to market our integrated healthcare services, our revenue increased by 49.3% from RMB355.4 million in the three months ended March 31, 2014 to RMB530.4 million in the same period in 2015. The revenue in the three months ended March 31, 2014 and 2015 was extracted from our unaudited condensed consolidated financial statements for the three months ended March 31, 2015 prepared by the Directors in accordance with Hong Kong Accounting Standard 34 "Interim Financial Reporting", which were reviewed by Ernst & Young, our reporting accountants, in accordance with Hong Kong Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". As we continue to focus on the healthcare industry and sell our financial leasing services for other projects primarily through cross selling efforts when we market our equipment financing, our revenue from the healthcare industry as a percentage of our total revenue further increased in the three months ended March 31, 2015 compared to the same period in 2014.

As of April 30, 2015, we had indebtedness of RMB13,827 million, which was the outstanding balance of our interest-bearing bank and other borrowings. Except for (1) a litigation with a financial leasing customer involving a claim by the customer in the aggregate amount of RMB1.3 million and (2) bank and other borrowings disclosed in "Financial Information", as of April 30, 2015, being the latest practicable date for our indebtedness

SUMMARY

statement, we did not have any loan capital or debt securities issued or agreed to be issued, outstanding bank overdrafts and liabilities under acceptances or other similar indebtedness, debentures, mortgages, charges or loans or acceptance credits, finance leases or hire purchase commitments or guarantees or material contingent liabilities.

After performing sufficient due diligence work which our Directors consider appropriate and after due and careful consideration, our Directors confirm that up to the date of this prospectus, other than the above, there has been no material adverse change in our financial and trading position or prospects since December 31, 2014, and there is no event since December 31, 2014 which would materially affect the audited financial information as set out in Appendix I—“Accountants’ Report” to this prospectus.

SELECTED HISTORICAL FINANCIAL INFORMATION

You should read the summary historical consolidated financial statements set forth below in conjunction with our consolidated financial statements included in Appendix I—“Accountants’ Report” to this prospectus, together with the accompanying notes, which have been prepared in accordance with HKFRS. The summary historical financial statements as of and for the years ended December 31, 2012, 2013 and 2014 are derived from our consolidated financial statements, including the notes thereto, set forth in Appendix I—“Accountants’ Report” to this prospectus.

Summary Results of Operations

	Year ended December 31,					
	2012		2013		2014	
	Amount	% of revenue	Amount	% of revenue	Amount	% of revenue
	(in thousands of RMB, except for percentages)					
Revenue	593,326	100.0%	981,458	100.0%	1,552,682	100.0%
Cost of sales	(204,781)	(34.5)	(348,619)	(35.5)	(619,594)	(39.9)
Gross profit	388,545	65.5	632,839	64.5	933,088	60.1
Other income and gains	6,393	1.1	54,887	5.6	15,419	1.0
Selling and distribution costs	(70,296)	(11.9)	(106,874)	(10.9)	(126,295)	(8.1)
Administrative expenses	(77,037)	(13.0)	(154,395)	(15.7)	(190,614)	(12.3)
Other expenses	(8,457)	(1.4)	(8,113)	(0.8)	(20,516)	(1.3)
Profit before tax	239,148	40.3	418,344	42.7	611,082	39.4
Income tax expense	(61,496)	(10.4)	(105,606)	(10.8)	(154,444)	(10.0)
Profit for the year	<u>177,652</u>	<u>29.9%</u>	<u>312,738</u>	<u>31.9%</u>	<u>456,638</u>	<u>29.4%</u>

SUMMARY

Summary Balance Sheet Data

	As of December 31,		
	2012	2013	2014
	(in thousands of RMB)		
Non-current assets	3,916,027	7,282,224	11,625,405
including:			
Loans and accounts receivables	3,724,072	6,980,698	11,471,343
Current assets	1,967,417	3,170,210	4,759,911
including:			
Loans and accounts receivables	1,534,912	2,584,306	4,167,986
Cash and cash equivalents	307,980	318,998	453,569
Current liabilities	2,886,562	3,992,250	5,412,449
including:			
Interest-bearing bank and other borrowings	2,064,506	3,358,354	4,118,187
Non-current liabilities	2,140,879	5,291,441	8,545,368
including:			
Interest-bearing bank and other borrowings	1,724,193	4,547,462	7,290,065
Net current liabilities	(919,145)	(822,040)	(652,538)
Total equity	<u>856,003</u>	<u>1,168,743</u>	<u>2,427,499</u>

Key Finance Lease Data

	Year ended December 31,		
	2012	2013	2014
	(in thousands of RMB, except for percentages)		
Finance lease income	333,278	588,212	1,043,888
Interest expenses	<u>192,364</u>	<u>325,449</u>	<u>596,954</u>
Net interest income	<u>140,914</u>	<u>262,763</u>	<u>446,934</u>
Net interest margin	3.68%	3.78%	3.73%
Net interest spread	2.64%	2.80%	2.93%
	As of December 31,		
	2012	2013	2014
Non-performing asset ratio	1.00%	0.91%	0.83%
Provision coverage ratio ⁽¹⁾	104.88%	151.01%	166.10%

(1) Calculated based on the balance of provisions for impairment of lease receivables divided by the balance of non-performing assets.

SUMMARY

Revenue Breakdown of Finance Lease Income

	Year ended December 31,					
	2012		2013		2014	
	Amount	% of total	Amount	% of total	Amount	% of total
	(in thousands of RMB, except for percentages)					
Healthcare	280,374	84.1%	496,504	84.4%	703,756	67.4%
Education	30,949	9.3	78,570	13.4	311,018	29.8
Others	21,955	6.6	13,138	2.2	29,114	2.8
Total	<u>333,278</u>	<u>100.0%</u>	<u>588,212</u>	<u>100.0%</u>	<u>1,043,888</u>	<u>100.0%</u>

Maturity Profile of Lease Receivables

	As of December 31,					
	2012		2013		2014	
	Amount	% of total	Amount	% of total	Amount	% of total
	(in thousands of RMB, except for percentages)					
Lease receivables						
Due within one year	1,954,458	31.0%	3,439,595	29.3%	5,550,908	28.9%
Due in one to two years	1,632,257	25.9	3,029,942	25.8	4,926,903	25.7
Due in two to three years	1,288,515	20.5	2,497,656	21.3	4,128,943	21.5
Due after three years and beyond ⁽¹⁾	<u>1,426,759</u>	<u>22.6</u>	<u>2,764,504</u>	<u>23.6</u>	<u>4,596,839</u>	<u>23.9</u>
Total	<u>6,301,989</u>	<u>100.0%</u>	<u>11,731,697</u>	<u>100.0%</u>	<u>19,203,593</u>	<u>100.0%</u>
Net lease receivables						
Due within one year	1,538,840	29.1%	2,627,815	27.1%	4,243,709	26.8%
Due in one to two years	1,340,473	25.3	2,425,893	25.0	3,920,617	24.7
Due in two to three years	1,109,915	21.0	2,118,114	21.8	3,495,340	22.1
Due after three years and beyond ⁽¹⁾	<u>1,301,984</u>	<u>24.6</u>	<u>2,526,539</u>	<u>26.1</u>	<u>4,190,473</u>	<u>26.4</u>
Total	<u>5,291,212</u>	<u>100.0%</u>	<u>9,698,361</u>	<u>100.0%</u>	<u>15,850,139</u>	<u>100.0%</u>

(1) The ceiling on the maturity of these receivables is eight years.

SUMMARY

Distribution of Lease Receivables by Asset Quality

	As of December 31,					
	2012		2013		2014	
	Amount	% of net lease receivables	Amount	% of net lease receivables	Amount	% of net lease receivables
(in thousands of RMB, except for percentages)						
Pass	4,440,859	83.9%	8,411,621	86.7%	13,358,461	84.3%
Special mention	797,598	15.1	1,198,260	12.4	2,359,549	14.8
Substandard	52,755	1.0	2,735	0.0	90,765	0.6
Doubtful	—	—	85,745	0.9	41,364	0.3
Loss	—	—	—	—	—	—
Net lease receivables	<u>5,291,212</u>	<u>100.0%</u>	<u>9,698,361</u>	<u>100.0%</u>	<u>15,850,139</u>	<u>100.0%</u>
Non-performing assets⁽¹⁾	52,755		88,480		132,129	
Non-performing asset ratio⁽²⁾	1.00%		0.91%		0.83%	

(1) Non-performing assets are defined as those lease receivables having objective evidence of impairment as a result of one or more events that occur after initial recognition and that event has an impact on the estimated future cash flows of lease receivables that can be reliably estimated. These lease receivables are classified as “substandard”, “doubtful” or “loss”.

(2) The non-performing assets ratio is the percentage of non-performing assets over net lease receivables as of the applicable date.

Movements in Non-Performing Assets

	Year ended December 31,		
	2012	2013	2014
(in thousands of RMB)			
Opening balance	62,972	52,755	88,480
Downgrades ⁽¹⁾	11,150	50,904	50,972
Upgrades	(15,337)	(8,257)	—
Recoveries	(6,030)	(6,922)	(7,323)
Transfer-out ⁽²⁾	—	—	—
Write-offs	—	—	—
Closing balance	<u>52,755</u>	<u>88,480</u>	<u>132,129</u>

(1) Represents downgrades of lease receivables classified as pass or special mention at the end of the previous year and lease receivables newly re-classified in the current year to non-performing categories.

(2) Consists primarily of the transfer of non-performing assets to foreclosed assets.

For our provisioning policy for bad and doubtful receivables, please see “Financial Information—Critical Accounting Policies and Estimates—Provisioning Policy for Bad and Doubtful Receivables” on page 185.

SUMMARY

Key Financial Ratios

The table below sets forth our key financial ratios as of the dates or for the periods indicated:

	As of and for the year ended December 31,		
	2012	2013	2014
Gross margin	65.5%	64.5%	60.1%
Net profit margin	29.9%	31.9%	29.4%
Return on equity ⁽¹⁾	30.2%	30.9%	25.4%
Return on total assets ⁽²⁾	3.8%	3.8%	3.4%
Current ratio ⁽³⁾	68.2%	79.4%	87.9%
Gearing ratio ⁽⁴⁾	442.6%	676.4%	470.0%
Risky assets to equity ratio ⁽⁵⁾	6.51	8.68	6.80

(1) Return on equity is calculated by dividing (i) net profit by (ii) the average of the beginning and end balance of shareholders' equity of a given period and multiplying by 100.0%.

(2) Return on assets is calculated by dividing (i) net profit by (ii) the average of the beginning and end balance of total assets of a given period and multiplying by 100.0%.

(3) Current ratios are calculated by dividing (i) current assets by (ii) current liabilities at the end of the period and multiplying by 100.0%.

(4) Gearing ratio is calculated by dividing (i) total bank and other borrowings by (ii) total equity at the end of the period and multiplying by 100.0%.

(5) Risky assets to equity ratio is calculated by dividing (i) total risky assets calculated as total assets less cash and cash equivalents by (ii) end balance of shareholders' equity of a given period. Risky assets to equity ratio is calculated in respect of CU Leasing only. MOFCOM requires MOFCOM-approved financial leasing companies to maintain a risky assets to equity ratio not exceeding 10.

For details, see "Financial Information—Key Financial Ratios" beginning on page 229.

SUMMARY

NET CURRENT LIABILITIES

The following table sets forth our current assets and current liabilities as of the dates indicated:

	As of December 31,			As of
	2012	2013	2014	April 30, 2015
	(in thousands of RMB)			
Current assets				
Inventories	3,775	3,321	3,119	2,755
Loans and accounts receivables	1,534,912	2,584,306	4,167,986	4,746,250
Prepayments, deposits and other receivables	56,709	139,208	34,733	125,659
Restricted deposits	64,041	124,377	100,504	119,683
Cash and cash equivalents	<u>307,980</u>	<u>318,998</u>	<u>453,569</u>	<u>774,956</u>
Total current assets	<u>1,967,417</u>	<u>3,170,210</u>	<u>4,759,911</u>	<u>5,769,303</u>
Current liabilities				
Trade and bills payables	547,054	234,597	956,422	84,416
Other payables and accruals	266,522	379,982	325,695	281,743
Interest-bearing bank and other borrowings	2,064,506	3,358,354	4,118,187	5,647,870
Taxes payable	<u>8,480</u>	<u>19,317</u>	<u>12,145</u>	<u>387</u>
Total current liabilities	<u>2,886,562</u>	<u>3,992,250</u>	<u>5,412,449</u>	<u>6,014,416</u>
Net current liabilities	<u>(919,145)</u>	<u>(822,040)</u>	<u>(652,538)</u>	<u>(245,113)</u>

The net current liabilities during the Track Record Period was primarily due to our usage of short-term borrowings from related parties instead of long-term bank and other borrowings, as we believe we would generally be able to renew short-term borrowings from related parties. Excluding short-term borrowings from related parties, we would have had net current assets of RMB211.4 million, RMB561.4 million and RMB372.1 million as of December 31, 2012, 2013 and 2014, respectively. In addition, as of April 30, 2015, we had committed but unused credit facilities of RMB5,625.6 million, all of which are short-term facilities without restrictions on drawdown other than customary conditions. Therefore, we believe our liquidity risk would further decrease after the Listing. Going forward, we intend to continue to enhance our liquidity risk management capabilities by imposing a more stringent requirement on our Treasury Department for matching the maturity profiles of our assets and liabilities.

RISK MANAGEMENT

As an integrated healthcare services provider, our risk management strategy is to establish an appropriate risk management system and relevant measures based on our business model. We face primarily strategic risk, credit risk, interest rate and exchange rate risks, liquidity risk and operational risk. We have established a comprehensive risk management framework in response to various emerging risks. See "Risk Management" beginning on page 153 for details.

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OUR SHAREHOLDING STRUCTURE

Our Company was incorporated in Hong Kong as a limited liability company on April 19, 2012 which holds our two principal operating subsidiaries, namely, CU Leasing and UI Leasing (TJ). As of the Latest Practicable Date, our ultimate Controlling Shareholder was GT-PRC, which beneficially owned 51% of the entire issued share capital of our Company.

On April 17, 2012, GT-PRC, GT-HK, CU Leasing, CITIC Capital Leasing and Jublon entered into a subscription agreement, pursuant to which, CITIC Capital Leasing and Jublon agreed to subscribe for 41% and 8% respectively of the enlarged issued share capital of our Company. In December 2014, ICBCI, Chow Tai Fook and CCBI entered into sale and purchase agreements with CITIC Capital Leasing and Jublon to purchase 23% of our then issued share capital. Pursuant to the written resolutions passed by all of our Shareholders on June 10, 2015, among others, each existing share in the capital of our Company was subdivided into five Shares in the capital of our Company with effect from June 11, 2015. As a result, the issued share capital of our Company became owned by the following Shareholders:

<u>Shareholder</u>	<u>No. of Shares held</u>	<u>Shareholding percentage (%)</u>
GT-HK	584,000,395	46.00
CGCI-HK	63,478,305	5.00
CITIC Capital Leasing	244,326,695	19.24
Jublon	47,673,510	3.76
ICBCI	121,243,560	9.55
Chow Tai Fook	96,487,020	7.60
CCBI	74,269,615	5.85
ITCCL	15,234,795	1.20
Evergreen	7,617,400	0.60
WHSL	15,234,785	1.20
Total	<u>1,269,566,080</u>	<u>100.00</u>

See “History and Development” beginning on page 98 for details.

We entered into certain transactions with GT-PRC and its associates, all of which are our connected persons, in the ordinary course of business and such transactions are expected to continue after the Listing Date. See “Connected Transactions” beginning on page 241 for details.

SALES AND MARKETING

We market and sell our services and products primarily through our internal sales and marketing team. We also cooperate with external medical experts on sales and marketing initiatives. As of the Latest Practicable Date, we had a dedicated internal team of over 200 industry-specialized sales and marketing personnel covering 30 provinces and municipalities in China. We organize our internal sales team by geographical regions, focusing on the healthcare industry. Over 60% of our internal sales and marketing staff has a medical

SUMMARY

background or relevant healthcare industry experience and is considered to be internal experts. Our internal teams conduct market and consumer research, promote partnership and cooperation relationships with customers, and conduct sales and marketing initiatives with personnel having substantial industry experience.

When we sell our equipment financing, we also from time to time cross sell our financial leasing services to customers in other industries. See “Business—Sales and Marketing” beginning on page 140 for details.

DIVIDEND POLICY

We declared dividends of RMB25.3 million, nil and RMB8.3 million in 2012, 2013 and 2014, respectively, all of which had been paid as of the Latest Practicable Date. Our Board has decided not to declare or pay any dividend for our profit for the year ended December 31, 2014. However, the determination to pay dividends in the future will be made at the direction of our Board and will be based on our profits, cash flows, financial condition, capital requirements and other conditions that our Board deems relevant. The payment of dividends may be limited by legal restrictions and agreements that we may enter into in the future.

LISTING EXPENSES

We have incurred professional and other fees with respect to the Listing. In accordance with the relevant accounting standards, listing related fees that are directly attributable to issuance of new Shares are recorded as prepaid expenses, which will be deducted from equity upon the Listing. The remaining listing related fees are charged to statements of profit or loss and other comprehensive income. We expect that the total amount of listing related expenses, including underwriting commission and the discretionary incentive fee, will be approximately RMB140.9 million. Of such expenses, RMB32.4 million are expected to be charged to our consolidated statements of profit or loss. Of this RMB32.4 million, RMB0.3 million was recognized as other expenses during the Track Record Period and the balance amount of RMB32.1 million is expected to be recognized in 2015.

OFFERING STATISTICS

Offer size	: Initially 25.0% of the enlarged issued share capital of our Company (subject to the Over-Allotment Option)
Offering structure	: Initially 10.0% for the Hong Kong Public Offering (subject to adjustment) and 90.0% for the International Placing (subject to adjustment and the Over-Allotment Option)
Over-Allotment Option	: Up to 15.0% of the number of Offer Shares initially available under the Global Offering
Offer Price per Share	: HK\$7.68 to HK\$10.00 per Offer Share

SUMMARY

	Based on an Offer Price of HK\$7.68 per Offer Share	Based on an Offer Price of HK\$10.00 per Offer Share
Our Company's market capitalization upon completion of the Global Offering ⁽²⁾	HK\$13,000 million	HK\$16,928 million
Unaudited pro forma adjusted net tangible asset per Share ⁽³⁾	HK\$3.64	HK\$4.21

- (1) All statistics in the table are based on the assumption that the Over-Allotment Option is not exercised.
- (2) The calculation of market capitalization is based on 1,692,755,580 Shares expected to be in issue immediately upon completion of the Global Offering assuming the Over-Allotment Option is not exercised.
- (3) The unaudited pro forma adjusted net tangible asset value per Share is calculated after making the adjustments referred to in Appendix II—"Unaudited Pro Forma Financial Information" to this prospectus.

USE OF PROCEEDS

The following table sets forth the estimate of net proceeds from the Global Offering which we are expected to receive after deduction of underwriting fees and commissions and estimated expenses payable by us in connection with the Global Offering:

	Assuming the Over-Allotment Option is not exercised	Assuming the Over-Allotment Option is exercised in full
Assuming an Offer Price of HK\$8.84 per Offer Share (being the mid-point of the Offer Price range stated in this prospectus)	Approximately HK\$3,566 million	Approximately HK\$4,108 million
Assuming an Offer Price of HK\$10.00 per Offer Share (being the high end of the Offer Price range stated in this prospectus)	Approximately HK\$4,040 million	Approximately HK\$4,654 million
Assuming an Offer Price of HK\$7.68 per Offer Share (being the low end of the Offer Price range stated in this prospectus).	Approximately HK\$3,091 million	Approximately HK\$3,562 million

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

- approximately 45.0% will be used to strengthen our capital resources to support the ongoing growth of our financial leasing business primarily for the healthcare industry; see "Business—Our Strategies—Continue to grow our medical equipment financing business focusing on the healthcare industry in a prudent manner" for details;
- approximately 20.0% will be used for the development of hospital digitalization solutions to complement our existing integrated services; we intend to further recruit and increase the size of our technology solutions team and develop a proprietary information management system for hospitals; we also plan to acquire services in relation to hospital digitalization services, and allocate a portion of the proceeds in financing hospital customers in implementing hospital digitalization services; see "Business—Our Strategies—Develop hospital digitalization services by leveraging our existing customer base and deep industry knowledge" for details;

SUMMARY

- approximately 15.0% will be used for the development of our hospital management business; we intend to recruit a team of hospital management experts to provide hospital management services; in order to acquire hospital management rights, we are also expected to make substantial initial investments in the relevant hospitals; see “Business—Our Strategies—Explore opportunities to enter into the hospital management business” for details;
- approximately 10.0% will be used for further development of CVA project solutions and other new clinical department upgrade services for other high demand areas; specifically, we intend to increase the number of our internal experts and the size of our dedicated sales and marketing team with relevant medical background to allow greater geographic coverage and to support our expanding number of clinical department upgrade customers; we also intend to allocate a portion of the proceeds in financing hospital customers in acquiring medical equipment as part of the clinical department upgrade services and ophthalmology solutions through strategic cooperation with medical expert groups; see “Business—Our Strategies—Continue to develop clinical department upgrade services” for details; and
- approximately 10.0% will be used for funding general corporate purposes.

The above allocation of the proceeds will be adjusted on a pro-rata basis if the Offer Price is fixed at a higher or lower level compared to the mid-point of the estimated Offer Price range. To the extent that the net proceeds from the Global Offering are not immediately used for the above purposes and to the extent permitted by applicable laws and regulations, we may allocate part or all of the proceeds to short-term interest-bearing deposits or money market instruments with authorized financial institutions or licensed banks. See “Future Plans and Use of Proceeds” beginning on page 279 for details.

RISK FACTORS

There are certain risks and uncertainties relating to an investment in our Shares. These risks include: (1) risks relating to our integrated healthcare solutions business such as (i) risks relating to our healthcare industry focus, (ii) risks relating to future developments of current and new healthcare solutions and (iii) risks relating to changes in the regulatory environment; and (2) risks relating to our finance lease portfolio, including those relating to the quality of our lease receivables, provisions for impairment losses and competition with other financial leasing companies. We believe the most significant risks involved in our business include:

- our customer base is concentrated in China’s healthcare industry. Any slowdown of China’s healthcare industry could have a material adverse effect on our business, financial condition and results of operations;
- there is no assurance that our clinical department upgrade services and plans for expansion into certain new business areas will be successful or scalable;
- we rely on our internal and external industry experts and failure to maintain our relationship with them could materially and adversely affect our business, financial condition and results of operations;

SUMMARY

- if we are unable to effectively maintain the quality of our financial leasing assets, our business, financial condition and results of operations may be materially and adversely affected;
- we had net current liabilities during the Track Record Period and we cannot assure you that we can or will continue to match the maturity profile of our assets and liabilities as they grow. Net current liabilities and net liquidity gaps could negatively impact our ability to repay our borrowings and settle our outstanding liabilities, when due, and may impair our ability to obtain additional financing to fund our future growth;
- our financial leasing business requires substantial capital and we may not be able to obtain sufficient funds on commercially acceptable terms to finance our operations or expansion plans, or at all;
- our provisions for impairment losses on lease receivables may not be adequate to cover future credit losses, and we may need to increase our provisions for impaired receivables to cover such future credit losses; and
- we may not be able to timely and cost-efficiently repossess the underlying equipment of our finance leases, or at all.

See “Risk Factors” beginning on page 35 for details.

DEFINITIONS

Unless the context otherwise requires, the following expressions have the following meanings in this prospectus. Certain other terms are explained in the section headed “Glossary” in this prospectus.

“2012 Subscribers”	collectively, CITIC Capital Leasing and Jublon, which subscribed for our Shares pursuant to the 2012 Subscription Agreement and which, as of the Latest Practicable Date, were holders of about 19.24% and 3.76% of our issued Shares, respectively
“2012 Subscription Agreement”	the subscription agreement dated April 17, 2012 and made between GT-PRC, GT-HK, CU Leasing, CITIC Capital Leasing and Jublon in connection with the subscription of a total of 60,073,616 shares of US\$1 each in our Company, details of which are set out in the section headed “History and Development—Incorporation of our Company, Changes of Equity-holders of (and Capital in) CU Leasing, and Investments by Strategic Investors in our Company in 2012” in this prospectus
“2014 Investors”	collectively, ICBCI, Chow Tai Fook and CCBI, which acquired our Shares pursuant to the 2014 S&P Agreements and which, as of the Latest Practicable Date, were holders of about 9.55%, 7.60% and 5.85% of our issued Shares, respectively
“2014 S&P Agreements”	the three separate share sale and purchase agreements (all dated December 22, 2014) and made between (i) CITIC Capital Leasing and Jublon (as vendors) on the one part, and (ii) each of the 2014 Investors on the other part in connection with the sale and purchase of certain shares in our Company, details of which are set out in the section headed “History and Development—2014 Investment” in this prospectus
“2014 Shareholders Agreement”	the shareholders’ agreement dated December 22, 2014 and made between our Company, GT-PRC, GT-HK, CGCI-HK, CITIC Capital Leasing, Jublon, ICBCI, Chow Tai Fook, CCBI, WHSL, ITCCCL and Evergreen in connection with the management and other affairs of our Company, details of which are set out in the section headed “History and Development—2014 Investment” in this prospectus

DEFINITIONS

“AIC”	Administration of Industry and Commerce (工商行政管理機關) in China or, where the context so requires, State Administration of Industry and Commerce of China (中華人民共和國工商行政管理總局) or its delegated authority at provincial, municipal or other local level
“Application Form(s)”	WHITE Application Form(s), YELLOW Application Form(s) and GREEN Application Form(s) or, where the context so requires, any of them
“Articles” or “Articles of Association”	the articles of association of our Company (as amended from time to time), a summary of which is set out in Appendix III to this prospectus
“associate(s)”	has the meaning ascribed thereto under the Listing Rules
“Board” or “Board of Directors”	the board of directors of our Company
“2017 Bonds”	5.7 per cent. guaranteed secured bonds due 2017 in the aggregate principal amount of RMB1,600 million issued by Uni-One on January 29, 2014 and November 18, 2014
“Business Day”	any day (other than a Saturday, Sunday or public holiday) on which banks in Hong Kong are generally open for business
“BVI”	the British Virgin Islands
“CAGR”	compound annual growth rate
“CBRC”	China Banking Regulatory Commission (中國銀行業監督管理委員會)
“CCASS”	the Central Clearing and Settlement System established and operated by HKSCC
“CCASS Clearing Participant”	a person admitted to participate in CCASS as a direct participant or a general clearing participant
“CCASS Custodian Participant”	a person admitted to participate in CCASS as a custodian participant
“CCASS Investor Participant”	a person admitted to participate in CCASS as an investor participant who may be an individual or joint individuals or a corporation
“CCASS Participant”	a CCASS Clearing Participant, a CCASS Custodian Participant or a CCASS Investor Participant

DEFINITIONS

“CCBI”	Glory Spring Global Investment Limited (榮泉環球投資有限公司), a company incorporated with limited liability under the laws of BVI on October 10, 2014. It is a wholly-owned subsidiary of CCBI Investments Limited, which in turn is ultimately owned by China Construction Bank Corporation (“ CCB ”), a company listed on the Main Board of the Stock Exchange (stock code: 939) and on the Shanghai Stock Exchange (stock code: 601939). It is an independent third party and other than being a party to the 2014 Shareholders Agreement, is independent of other Shareholders, except that Central Huijin Investment Ltd. (“ Central Huijin ”), a shareholder of CCB, is a common shareholder of ICBC. CCBI was the holder of 5.85% of the total issued Shares as of the Latest Practicable Date
“CFDA”	China Food and Drug Administration (國家食品藥品監督管理總局)
“CGCI-HK”	China General Consulting & Investment (Hong Kong) Co., Limited (中國通用諮詢投資香港有限公司), a company incorporated with limited liability under the laws of Hong Kong on April 8, 2012, an indirect wholly-owned subsidiary of GT-PRC and was the holder of 5% of the total issued Shares as of the Latest Practicable Date
“CGCI-PRC”	China General Consulting & Investment Co., Limited (中國通用諮詢投資有限公司), a company incorporated in PRC on August 30, 2007 and an indirect wholly-owned subsidiary of GT-PRC as of the Latest Practicable Date
“China” or “PRC”	the People’s Republic of China excluding, for the purpose of this prospectus, Hong Kong, Macau and Taiwan

DEFINITIONS

“Chow Tai Fook”	Sonic Path Limited (捷道有限公司), a company incorporated with limited liability under the laws of BVI on September 12, 2014. It is a wholly-owned subsidiary of Healthcare Ventures Holdings Limited, a company incorporated in the BVI, which in turn is wholly-owned by Chow Tai Fook Enterprises Limited, a company incorporated in Hong Kong, which is ultimately owned by Dato’ Dr. Cheng Yu Tung and his family members. Chow Tai Fook is an independent third party and other than being a party to the 2014 Shareholders Agreement, is independent of other Shareholders. It was the holder of 7.60% of the total issued Shares as of the Latest Practicable Date
“CIT”	Corporate Income Tax
“CITIC Capital Leasing”	CITIC Capital Leasing Ltd., a company incorporated with limited liability under the laws of the Cayman Islands on September 16, 2011. It is wholly-owned by CITIC Capital China Partners II, L.P., (“ CITIC Partners ”) an exempted limited partnership organised and existing under the laws of the Cayman Islands and a private equity investment fund focused on private equity investments in China. The general partner of CITIC Partners is CCP II GP Ltd., an exempted company incorporated in the Cayman Islands with limited liability. The limited partners of CITIC Partners include institutional investors such as pension funds, endowment funds, funds of funds and financial institutions. CITIC Partners is managed by CCP II Advisory Ltd., an exempted company incorporated in the Cayman Islands with limited liability. CITIC Capital Leasing is a Substantial Shareholder of our Company holding 19.24% of the total issued share capital of our Company as of the Latest Practicable Date, other than being a party to the 2014 Shareholders Agreement, is independent of other Shareholders
“CNTIC”	China National Technical Import & Export Corporation (中國技術進出口總公司), a company incorporated in the PRC and a wholly-owned subsidiary of GT-PRC, as of the Latest Practicable Date
“close associate(s)”	has the meaning ascribed to it in the Listing Rules
“CNH HIBOR”	Hong Kong Interbank Offered Rate of offshore RMB (人民幣香港銀行同業拆息)

DEFINITIONS

“Commerce Authority”	Commerce Department (商務部門) in China or, where the context so requires, MOFCOM or its delegated authority at provincial, municipal or other local level
“Companies Ordinance”	the Companies Ordinance (Chapter 622 of the Laws of Hong Kong, which has become effective from March 3, 2014), as amended, supplemented or otherwise modified from time to time
“Company” or “Universal Medical”	Universal Medical Financial & Technical Advisory Services Company Limited 環球醫療金融與技術諮詢服務有限公司 (formerly known as Universal Medical Services & Health Management Company Limited 環球醫療服務有限公司 and Universal International Leasing Co., Limited 環球國際租賃有限公司), a company incorporated with limited liability under the laws of Hong Kong on April 19, 2012
“Connected Person(s)” or “connected person(s)”	has the meaning ascribed to it in the Listing Rules and, unless the context requires otherwise, refers to connected person of our Company
“Controlling Shareholder(s)”	has the meaning ascribed to it in the Listing Rules and, unless the context requires otherwise, collectively refers to GT-PRC, GT-HK, CGCI-PRC, CGCI-HK and Paryocean
“Core Connected Person(s)” or “core connected person(s)”	has the meaning ascribed to it in the Listing Rules
“COWUMPO”	the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong, which has become effective from March 3, 2014), as amended, supplemented or otherwise modified from time to time
“CU Leasing”	China Universal Leasing Co., Ltd. (中國環球租賃有限公司), a wholly foreign-owned enterprise incorporated in China on November 1, 1984 and a wholly-owned subsidiary of our Company as of the Latest Practicable Date
“Deed of Non-competition”	a deed of non-competition entered into by GT-PRC on June 10, 2015 in favor of our Company
“Deer Bangsheng”	Beijing Deer Bangsheng Medical Technology Co., Ltd. (北京德爾邦盛醫療技術有限公司), a company incorporated in the PRC on September 26, 2002, being an independent third party

DEFINITIONS

“Director(s)”	the director(s) of our Company
“Evergreen”	Evergreen021 Co., Ltd, a company incorporated under the laws of BVI on August 14, 2014 with limited liability and was solely owned by Ms. Peng as of the Latest Practicable Date
“Frost & Sullivan”	Frost & Sullivan (Beijing) Inc., Shanghai Branch Co. (弗若斯特沙利文(北京)諮詢有限公司上海分公司), a consulting firm that provides market research and analysis
“GAAP”	Generally Accepted Accounting Principles
“GDP”	gross domestic product
“Global Offering”	the Hong Kong Public Offering and the International Placing
“GREEN Application Form(s)”	the application form(s) to be completed by the White Form eIPO Service Provider, Computershare Hong Kong Investor Services Limited
“Group”, “our Group”, “we” or “us”	our Company and its subsidiaries or, where the context so requires in respect of the period before our Company became the holding company of our present subsidiaries, the entities which carried on the business of the present Group at the relevant time
“GT-HK”	Genertec Hong Kong International Capital Limited (通用技術集團香港國際資本有限公司), a company incorporated under the laws of Hong Kong on March 24, 1994 with limited liability, an indirect wholly-owned subsidiary of GT-PRC and is a Controlling Shareholder
“GT-PRC”	China General Technology (Group) Holding Company Limited (中國通用技術(集團)控股有限責任公司), a State-owned enterprise, which is under the direct administration of the PRC central government and is a Controlling Shareholder
“GT-PRC Finance”	Genertec Finance Co., Ltd. (通用技術集團財務責任有限公司), a company incorporated in the PRC and owned as to 95% and 5% by GT-PRC and CNTIC respectively
“HKFRS”	Hong Kong Accounting Standards, Hong Kong Financial Reporting Standards, amendments and the related interpretations issued by the HKICPA
“HKICPA”	Hong Kong Institute of Certified Public Accountants

DEFINITIONS

“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“HKSCC”	Hong Kong Securities Clearing Company Limited
“HKSCC Nominees”	HKSCC Nominees Limited, a wholly-owned subsidiary of HKSCC
“Hong Kong”	the Hong Kong Special Administrative Region of China
“Hong Kong Offer Shares”	the 42,319,000 Shares being initially offered for subscription in the Hong Kong Public Offering, subject to adjustment as described in “Structure of the Global Offering—Pricing and Allocation” in this prospectus
“Hong Kong Public Offering”	the offer of the Hong Kong Offer Shares for subscription by the public in Hong Kong
“Hong Kong Underwriters”	the underwriters of the Hong Kong Public Offering listed in “Underwriting—Hong Kong Underwriters” in this prospectus
“Hong Kong Underwriting Agreement”	the underwriting agreement dated June 23, 2015, relating to the Hong Kong Public Offering and entered into by, among others, the Joint Global Coordinators, the Hong Kong Underwriters and our Company
“ICBCI”	ICBC International Wealth Investment Limited (工銀國際財富投資有限公司), a company incorporated with limited liability under the laws of BVI on September 19, 2014. It is owned by 51% and 49% by ICBC International Finance Limited and Rollcash respectively. ICBC International Finance Limited is a member of ICBC International Holdings Limited, which is wholly owned by Industrial and Commercial Bank of China Limited (“ ICBC ”), a company listed on the Main Board of the Stock Exchange (stock code: 1398) and on the Shanghai Stock Exchange (stock code: 601398). ICBCI is an independent third party and other than being a party to the 2014 Shareholders Agreement, is independent of the other Shareholders, except that Central Huijin, a shareholder of ICBC, is a common shareholder of CCB. It was the holder of 9.55% of the total issued Shares as of the Latest Practicable Date
“independent third party(ies)”	any individual(s) or entity(ies) who, as far as our Directors are aware, is/are not connected persons of our Company within the meaning ascribed to it in the Listing Rules

DEFINITIONS

“INED(s)”	independent non-executive Director(s) of our Company
“International Placing”	the placing of the International Placing Shares at the Offer Price outside the United States in offshore transactions in reliance on Regulation S and in the United States solely to QIBs as defined in Rule 144A pursuant to an exemption from registration under the U.S. Securities Act
“International Placing Shares”	the 380,870,500 Shares being initially offered in the International Placing together with, where relevant, any additional Shares which may be issued by our Company pursuant to the exercise of the Over-Allotment Option, subject to adjustment as described in “Structure of the Global Offering—Pricing and Allocation” in this prospectus
“International Underwriters”	the international underwriters of the International Placing who are expected to enter into the International Underwriting Agreement as purchasers on or around the Price Determination Date
“International Underwriting Agreement”	the underwriting agreement relating to the International Placing, which is expected to be entered into among our Company, the Joint Global Coordinators and the International Underwriters, among other parties
“Issuing Mandate”	the general unconditional mandate granted to our Directors by our Shareholders in relation to the issue of new Shares, further information on which is set forth in the paragraph under “Appendix IV—Statutory and General Information—1. Further information about our Group—1.3 Resolutions in writing of our Shareholders passed on June 10, 2015” in this prospectus
“ITCCL”	International Technological Cooperation Co., Ltd 國際技術合作有限公司, a company incorporated under the laws of BVI on August 14, 2014 with limited liability and was solely owned by Mr. Guo as of the Latest Practicable Date
“Joint Bookrunners” or “Joint Lead Managers”	Goldman Sachs (Asia) L.L.C., Nomura International (Hong Kong) Limited, ICBC International Capital Limited (in the capacity as a Joint Bookrunner in relation to the Global Offering), ICBC International Securities Limited (in the capacity as a Joint Lead Manager in relation to the Global Offering), CCB International Capital Limited, CLSA Limited, VMS Securities Limited and China Merchants Securities (HK) Co., Limited

DEFINITIONS

“Joint Sponsors” or “Joint Global Coordinators”	Goldman Sachs (Asia) L.L.C. and Nomura International (Hong Kong) Limited
“Jublon”	Jublon Capital Limited, a company incorporated with limited liability under the laws of BVI on March 6, 2012. It is a wholly-owned subsidiary of Jublon One Limited, a limited liability company established under the laws of the BVI. Mr. Liu Dongsheng, a former Director who resigned on March 6, 2015, a former director of CU Leasing and was a director of CU Leasing (TJ) as of the Latest Practicable Date. Mr. Liu is the sole director of Jublon, a director of Jublon One Limited and interested in 5% of the total issued share capital of Jublon One Limited, the remaining 95% total issued share capital of which is owned by Ms. Wang Linfen, an independent third party. Jublon is a Connected Person and, other than being a party to the 2014 Shareholders Agreement, is independent of the other Shareholders. It was the holder of 3.76% of the total issued share capital of our Company as of the Latest Practicable Date
“Latest Practicable Date”	June 14, 2015, being the latest practicable date prior to the printing of this prospectus for the purpose of ascertaining certain information contained in this prospectus
“Listing”	the listing of the Shares on the Main Board of the Stock Exchange
“Listing Committee”	the listing committee of the Stock Exchange
“Listing Date”	the date, expected to be on or about July 8, 2015, on which the Shares are listed on the Stock Exchange and from which dealings in the Shares are permitted to commence on the Stock Exchange
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, as amended or supplemented from time to time
“MOFCOM”	the Ministry of Commerce of the PRC (中華人民共和國商務部), or where the context so requires, its counterparts at the local levels
“MOH”	the National Health and Family Planning Commission of the PRC (中華人民共和國國家衛生和計劃生育委員會), formerly known as the Ministry of Health of the PRC (中華人民共和國衛生部) prior to March 5, 2013

DEFINITIONS

“Mr. Guo” or “CEO”	Mr. Guo Weiping (郭衛平先生), our Chief Executive Officer and executive Director
“Ms. Peng” or “CFO”	Ms. Peng Jiahong (彭佳虹女士), our Chief Financial Officer, deputy general manager and executive Director
“NRCMS”	New Rural Cooperative Medical System (新型農村合作醫療制度), a rural cooperative medical care and mutual assistance system which is organized, guided and supported by the PRC government and voluntarily participated by farmers, with contributions from individuals, families and the local government and comprehensive arrangement for major diseases
“Offer Price”	the final offer price per Offer Share in Hong Kong dollars (exclusive of brokerage of 1.0%, SFC transaction levy of 0.0027% and Stock Exchange trading fee of 0.005%)
“Offer Shares”	the Hong Kong Offer Shares and the International Placing Shares
“Over-Allotment Option”	the option expected to be granted by our Company to the International Underwriters, exercisable by the Joint Global Coordinators (on behalf of the International Underwriters) under the International Underwriting Agreement, pursuant to which our Company may be required to allot and issue up to an aggregate of 63,478,000 Shares, representing approximately 15.0% of the number of Offer Shares initially available under the Global Offering at the Offer Price as further discussed in the section headed “Structure of the Global Offering” in this prospectus
“Paryocean”	Paryocean (Asia Pacific) International Company Limited (華洋(亞太)國際有限公司), a company incorporated with limited liability in Hong Kong on November 23, 1995, and whose issued share capital was held as to about 99.99% and about 0.01% by GT-PRC and GT-HK respectively as of the Latest Practicable Date
“PBOC”	the People’s Bank of China (中國人民銀行)
“PRC Legal Advisor”	Jun He Law Offices, the legal advisor to our Company as to PRC law
“Price Determination Date”	the date, expected to be on or about June 30, 2015, on which the Offer Price will be determined and, in any event, not later than July 7, 2015

DEFINITIONS

“QIB”	qualified institutional buyer as defined in Rule 144A
“Regulation S”	Regulation S under the U.S. Securities Act
“Repurchase Mandate”	the general unconditional mandate granted to our Directors by our Shareholders in relation to the repurchase of our Shares, further information on which is set forth in the paragraph under “Appendix IV—Statutory and General Information—1. Further information about our Group—1.3 Resolutions in writing of our Shareholders passed on June 10, 2015” in this prospectus
“Rollcash”	Rollcash Investments Limited, a company incorporated under the laws of BVI on January 5, 2011 which is owned as to 40%, 30% and 30% by Mu Yi, Li Ji Hong and Zhang Xiao Sui, who are independent third parties
“Rule 144A”	Rule 144A under the U.S. Securities Act
“SASAC”	State-owned Assets Supervision and Administration Commission of the State Council of China (國務院國有資產監督管理委員會), a China governmental agency responsible for matters relating to the supervision and administration State-owned assets
“SAFE” or “State Administration of Foreign Exchange”	the State Administration of Foreign Exchange of China (中華人民共和國國家外匯管理局), a China governmental agency responsible for matters relating to foreign exchange administration, including local branches, when applicable
“SFC”	the Securities and Futures Commission of Hong Kong
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended or supplemented from time to time
“Share Subdivision”	the subdivision of every existing share in the capital of our Company into five (5) Shares as approved by all Shareholders by way of written resolutions passed on June 10, 2015
“Share(s)”	ordinary share(s) in the capital of our Company
“Share Registrar”	Computershare Hong Kong Investor Services Limited
“Shareholder(s)”	holder(s) of Share(s)

DEFINITIONS

“Sino American Stroke Group”	Sino American Stroke Group (中美腦中風協作組), a joint initiative between the PRC and the United States established in 2003 under the support of the Chinese government, consisting of a number of leading experts in the field of CVA surgery
“Stabilizing Manager”	Goldman Sachs (Asia) L.L.C.
“Stock Borrowing Agreement”	the stock borrowing agreement expected to be entered into between the Stabilizing Manager and CITIC Capital Leasing on or about the Price Determination Date as further described in “Structure of the Global Offering—Stock Borrowing Arrangement”
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Substantial Shareholder(s)”	has the meaning ascribed thereto under the Listing Rules
“Takeovers Code”	The Hong Kong Code on Takeovers and Mergers
“Track Record Period”	the period of three financial years ended December 31, 2014
“The 12th Five-Year Plan for Healthcare Sector”	the 12th Five-Year Plan for Health Sector Development (衛生事業發展“十二五”規劃), a macroscopic five-year developmental plan for the healthcare sector promulgated by the State Council on October 19, 2012 in order to meet PRC citizens’ growing demand for healthcare services and adapt to the new requirements for health sector in light of the socioeconomic development in China
“UI Leasing (TJ)”	Universal International Financial Leasing (Tianjin) Co., Ltd. (環球國際融資租賃(天津)有限公司), a company incorporated in China on December 10, 2014 and a wholly-owned subsidiary of our Company as of the Latest Practicable Date
“UMIS”	Urban Basic Medical Insurance System (城鎮基本醫療保險制度), which is the national health insurance system comprising URBMIS and UWBMIS
“Underwriters”	the Hong Kong Underwriters and the International Underwriters
“Underwriting Agreements”	the Hong Kong Underwriting Agreement and the International Underwriting Agreement

DEFINITIONS

“Uni-One”	Universal Number One Co., Ltd, a company incorporated with limited liability under the laws of the Cayman Islands on June 30, 2008 and a direct wholly-owned subsidiary of our Company as of the Latest Practicable Date
“Uni-Two”	Universal Number Two Co., Ltd, a company incorporated with limited liability under the laws of the Cayman Islands on June 30, 2008 and a direct wholly-owned subsidiary of our Company as of the Latest Practicable Date
“URBMIS”	Urban Resident Basic Medical Insurance System (城鎮居民基本醫療保險制度), which is part of the national health insurance system
“U.S.” or “United States”	the United States of America
“U.S. Securities Act”	the United States Securities Act of 1933, as amended
“US\$”	United States dollars, the lawful currency of the United States
“UWBMIS”	Urban Worker Basic Medical Insurance System (城鎮職工基本醫療保險制度), which is part of the national health insurance system
“White Form eIPO”	the application for Hong Kong Offer Shares to be issued in the applicant’s own name by submitting applications online through the designated website of White Form eIPO Service Provider, www.eipo.com.hk
“White Form eIPO Service Provider”	Computershare Hong Kong Investor Services Limited
“WHSL”	World Health Service Limited (世界健康服務有限公司), a company incorporated under the laws of BVI on June 18, 2014 with limited liability and was owned by certain management members of our Group as of the Latest Practicable Date

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

GLOSSARY

This glossary contains definitions of certain terms used in this prospectus in connection with us and our business. Some of these may not correspond to standard industry definitions.

“anesthesia”	the use of medicine to prevent the feeling of pain or another sensation during surgery or other procedures that might be painful
“carotid artery stenosis”	a narrowing or constriction of the inner surface (lumen) of the carotid artery, usually caused by atherosclerosis
“CIS”	clinical information system, a system designed for collecting, storing, manipulating and using clinical information that is important to the healthcare delivery process
“CVA”	cerebrovascular accident, a sudden interruption of the blood supply to the brain caused by rupture of an artery in the brain (cerebral haemorrhage) or the blocking of a blood vessel, as by a clot of blood (cerebral occlusion)
“HIS”	hospital information system, an integrated computer system to store, manipulate, and retrieve clinical, nonclinical, and administrative information in health care organization
“interventional radiology”	a medical specialty that uses minimally invasive image-guided procedures to diagnose and treat diseases in nearly every organ system
“ophthalmology”	the branch of medicine that deals with the anatomy, physiology and diseases of the eye
“pediatrics”	the branch of medicine that deals with the medical care of infants, children, and adolescents
“PET-CT”	positron emission tomography—computed tomography, a medical imaging technique using a device which combines in a single gantry system both a positron emission tomography (PET) scanner and an x-ray computed tomography (CT) scanner, so that images acquired from both devices can be taken sequentially, in the same session, and combined into a single superposed (co-registered) image
“PCI”	percutaneous coronary intervention, is a non-surgical procedure used to treat the stenotic coronary arteries of the heart found in coronary heart disease

GLOSSARY

“radiography”	the production of photographic images of opaque objects on film using radiation from radioactive substances other than light
“radioscopy”	examination of the inner structure of optically opaque objects by x-rays or other penetrating radiation
“traumatology”	the study of wounds and injuries caused by accidents or violence to a person, and the surgical therapy and repair of the damage

FORWARD-LOOKING STATEMENTS

This prospectus contains certain forward-looking statements and information relating to our Company and our subsidiaries that are based on the beliefs of our management as well as assumptions made by and information currently available to our management. When used in this prospectus, the words “aim”, “anticipate”, “believe”, “could”, “expect”, “going forward”, “intend”, “may”, “ought to”, “plan”, “project”, “seek”, “should”, “will”, “would” and the negative of these words and other similar expressions, as they relate to our Group or our management, are intended to identify forward-looking statements. Such statements reflect the current views of our management with respect to future events, operations, liquidity and capital resources, some of which may not materialize or may change. These statements are subject to certain risks, uncertainties and assumptions, including the other risk factors as described in this prospectus. You are strongly cautioned that reliance on any forward-looking statements involves known and unknown risks and uncertainties. The risks and uncertainties facing our Company which could affect the accuracy of forward-looking statements include, but are not limited to, the following:

- our business and prospects;
- future developments, trends and conditions in the healthcare services industry and financial leasing market in which we operate;
- our business strategies and plans to achieve these strategies;
- general economic, political and business conditions in China and other markets in which we operate;
- changes to the regulatory and enforcement environment of China and general outlook and competitive landscape in the industries and markets in which we operate;
- the effects of the global financial markets and economic crisis;
- our ability to reduce costs;
- our dividend policy;
- the amount and nature of, and potential for, future development of our business;
- capital market developments;
- the actions and developments of our competitors; and
- change or volatility in interest rates, foreign exchange rates, equity prices, volumes, operations, margins, risk management and overall market trends.

FORWARD-LOOKING STATEMENTS

Subject to the requirements of applicable laws, rules and regulations, we do not have any and undertake no obligation to update or otherwise revise the forward-looking statements in this prospectus, whether as a result of new information, future events or otherwise. As a result of these and other risks, uncertainties and assumptions, the forward-looking events and circumstances discussed in this prospectus might not occur in the way we expect or at all.

Accordingly, you should not place undue reliance on any forward-looking information. All forward-looking statements in this prospectus are qualified by reference to the cautionary statements in this section.

In this prospectus, statements of or references to our intentions or those of our Directors are made as of the date of this prospectus. Any such information may change in light of future developments.

RISK FACTORS

You should carefully consider the following information about risks, together with the other information contained in this prospectus, including our consolidated financial statements and related notes, before you decide to buy our Shares. If any of the circumstances or events described below actually arises or occurs, our business, results of operations, financial condition and prospects would likely suffer. In any such case, the market price of our Shares could decline, and you may lose all or part of your investment. This prospectus also contains forward looking information that involves risks and uncertainties. Our actual results could differ materially from those anticipated in these forward looking statements as a result of many factors, including the risks described below and elsewhere in this prospectus.

RISKS RELATING TO OUR BUSINESS AND INDUSTRY

Our customer base is concentrated in China's healthcare industry. Any slowdown of China's healthcare industry could have a material adverse effect on our business, financial condition and results of operations.

During the Track Record Period, an average of 73.3% of our net lease receivables before provision were attributable to customers in the healthcare industry, as calculated based on average month-end receivables. In recent years, the healthcare industry in China experienced rapid high growth due to various socio-geographic factors and preferential policies. See "Industry Overview—Overview of the Healthcare Services Industry in China—Healthcare Expenditure in China". Benefited from increased healthcare services expenditure in China, our business grew significantly during the Track Record Period, and we accumulated a large customer base in the healthcare industry. During the Track Record Period, our revenue grew at a CAGR of 61.8%, and our net lease receivables grew at a CAGR of 73.1%.

We cannot assure you that the fast growth of China's healthcare industry will continue or the current Chinese government policies supporting the development of China's healthcare industry will remain. If any slowdown of China's healthcare industry occurs due to any change in Chinese government policies for the healthcare industry or otherwise, our business, financial condition and results of operations will be materially and adversely affected.

There is no assurance that our clinical department upgrade services and plans for expansion into certain new business areas will be successful or scalable.

We have been developing and marketing our clinical department upgrade services since 2011, and recorded revenue from such services of RMB78.3 million in 2014. We intend to continue to develop and market clinical department upgrade services. However, as this type of services is relatively new in China, there is no assurance that these services will be replicated and widely acceptable in our target hospitals in China. In addition, we cooperate with Sino American Stroke Group in developing, marketing and providing our CVA project solutions, which are currently our main clinical department upgrade services. Our cooperation agreement with Sino American Stroke Group does not have a definite term of cooperation. We

RISK FACTORS

cannot assure you that Sino American Stroke Group will continue to cooperate with us on commercially acceptable terms, or at all, in the future. If we cease to cooperate with Sino American Stroke Group, our ability to market and optimize our CVA project solutions may be negatively affected.

Furthermore, we are in the process of developing our clinical department upgrade services in respect of other clinical departments such as anesthesia solutions and ophthalmology solutions. We cannot assure you that we will be able to successfully develop those new solutions or that they will be widely accepted or profitable for us. See “Business—Our Strategies—Continue to develop clinical department upgrade services”.

In addition, we plan to expand into new business areas, including hospital digitalization solutions and hospital management solutions, to complement our current integrated healthcare solutions offerings. See “Business—Our Strategies—Develop hospital digitalization solutions by leveraging our existing customer base and deep industry knowledge” and “Business—Our Strategies—Explore opportunities to enter into the hospital management business”. However, pursuing these business expansion plans involve inherent risks, such as making incorrect estimation on the level of demand for hospital digitalization solutions and hospital management services by hospitals in China. We have limited experience in the hospital digitalization solutions and hospital management services business. Our expertise and experience in our existing business may not be readily applied to or relevant to our prospective business, and may not be able to establish a competent team to implement these business plans timely and at reasonable cost. The existing market participants of the hospital digitalization solutions and hospital management services market may have competitive advantages over us, which may result in our services being less attractive to our target customers and hence, generate less revenue for us. In addition, our efforts to develop innovative healthcare solutions may potentially be restricted by current or future government regulations and policies. For example, the MOH prohibits hospitals from subcontracting their clinical departments, which could potentially limit the development of our hospital management services.

We cannot assure you that any of the above plans will be successfully implemented as expected. The successful implementation of these plans will involve additional cost and uncertainties, and we also need to divert our resources and management’s attention from our core business operations. If for any reason any of these plans cannot be implemented or that it does not achieve the planned outcome, the prospects of our business growth could be materially and adversely affected.

We rely on our internal and external industry experts and failure to maintain our relationship with them could materially and adversely affect our business, financial condition and results of operations.

As of December 31, 2014, we had a team of 130 internal experts and a network of 220 external medical experts, who work closely together to develop new solutions, participate in our sales and marketing initiatives and jointly provide various advisory services. Our internal and external experts are important to us as they are a key component of our platform of

RISK FACTORS

resources allowing us to provide innovative solutions which set us apart from our competitors. We believe our internal and external experts, with their knowledge and know-how, allow us to stay at the forefront of healthcare solutions innovation in China and to continue to develop innovative solutions. We attract our internal and external experts mainly through our large hospital customer base as we are an attractive partner to external experts for the co-development of innovative solutions and the co-serving of hospital customers. However, our current and future competitors may compete with us for our internal and external experts. There is no assurance that we can retain our internal experts or that our external experts will continue to partner and cooperate with us or will not cooperate with our competitors. If we are unable to maintain our relationship with a significant portion of our internal and external experts, our business, results of operations could be materially and adversely affected.

We repaid all borrowings from or guaranteed by our related parties in June 2015, and we may not be able to obtain sufficient bank and other borrowings after the Listing to support our growth in the future.

During the Track Record Period, we incurred certain borrowings from or guaranteed by our related parties. As of December 31, 2012, 2013 and 2014, we had such borrowings of RMB1,133.8 million, RMB1,803.9 million and RMB1,396.6 million, respectively, representing 29.9%, 22.8% and 12.2%, respectively, of our total bank and other borrowings. Although the funding cost of such borrowings was not apparently higher than our other comparable loans from third parties, if our related parties did not extend or guarantee such loans, we might not have been able to obtain the same amount of borrowings on similar terms during the Track Record Period to support our growth. We repaid all borrowings from or guaranteed by our related parties in full in June 2015. After the Listing, our funding capability would rely on our own credit and, if we use our lease assets as collateral, the quality of such assets. If we cannot obtain sufficient bank and other borrowings to fund our financial leasing business, our liquidity would be negatively affected, and there could be a material adverse effect on our financial condition, results of operations and growth prospects.

Chinese government policies curbing over-expansion of certain public hospitals and encouraging development of private healthcare institutions could have an adverse effect on our business prospect if we fail to adjust our strategy and react to it properly.

Our business may be materially affected by Chinese government policies on the healthcare industry. While the Chinese government encourages the upgrade and development of the healthcare institutions in general due to the significant insufficiencies in medical resources in China, in light of recent rapid expansion of certain public hospitals, the Chinese government also aims to curb the over-expansion of certain public hospitals to ensure the financial healthiness of public hospitals and at the same time encourages the private sector to establish and invest in healthcare institutions. This policy trend may have an adverse effect on our business prospect if we fail to react to it properly. In addition, the uncertainties in the interpretation of some of these policies also impose certain risks to us.

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Under the latest The 12th Five-Year Plan for Healthcare Sector and certain notices issued by the Chinese government thereafter, the Chinese government announced its intention to upgrade a large number of healthcare institutions. However, in March 2012 and June 2012, the State Council and the General Office of the State Council issued the Notice of the State Council on Issuing of Deepening the Reform Planning and Implementation Scheme of Healthcare System During the Twelfth Five-Year Plan (《國務院關於印發“十二五”期間深化醫藥衛生體制改革規劃暨實施方案的通知》) and the Notice of Opinions on Comprehensive Pilot Reform of Country-Level Public Hospitals (《關於縣級公立醫院綜合改革試點意見的通知》), respectively. These notices aimed, among others, to curb the rapid growth of public hospitals and county-level hospitals by not allowing public hospitals or county-level public hospitals to fund certain constructions and equipment acquisitions by loans (the “2012 State Council Notices”). On the other hand, the 2012 State Council Notices also encouraged the private sector to establish healthcare institutions by offering certain preferential policies. In June 2014, due to rapid expansion of the scale of public hospitals and over-expansion of certain hospitals, the MOH also promulgated the Urgent Notice on Controlling the Public Hospitals Against Rapid Expansion (《關於控制公立醫院規模過快擴張的緊急通知》) (the “2014 Urgent Notice”). Under the 2014 Urgent Notice, the MOH has imposed on public hospitals certain restrictions, including among others, that (1) approval of new beds in public hospitals to be suspended until March 2015; (2) controls over public hospitals in any excessive acquisitions of equipment, and (3) public hospitals will be restricted from funding certain of their constructions and large scale equipment acquisitions by loans. As advised by our PRC Legal Advisor, our leaseback business should not fall within “funding large scale equipment acquisitions by loans” as there is no acquisition of equipment by the hospitals involved in such transactions. But it remains unclear whether or not our direct lease business constitutes “funding large scale equipment acquisitions by loans”, and thus we cannot rule out the possibility that the Chinese government broadly interprets it and considers that public hospitals’ entering into direct leases constitutes “funding large scale equipment acquisitions by loans”.

Having said that, the State Council, MOH and NDRC have also respectively issued notices which encourage development and upgrade of the PRC healthcare industry. For example, in September 2013, the State Council promulgated the Opinions on the Promotion of the Development of Health Services Industry (《國務院關於促進健康服務業發展的若干意見》) (the “2013 Opinion”) in order to deepen healthcare reform and further develop the healthcare services industry. Under this opinion, the State Council encourages financial institutions to enhance their support to the health institutions. In September 2014, several ministries including the MOH and the NDRC promulgated the Notice Regarding the Promotion of the Development of Health and Old-Age Services Related Projects (《關於加快推進健康與養老服務工程建設的通知》) (the “September 2014 Notice”) to, among other objectives, accelerate the development of healthcare services system. This notice encourages various institutions to strengthen their support to healthcare services industry through different means, including financial leasing. As advised by our PRC Legal Advisor, having considered the overall purpose of these notices and the wording used in these notices, public hospitals are included in the scope of healthcare institutions and healthcare services industry mentioned in these notices. However, as we are not aware of any formal interpretation by the Chinese government with respect to the scope of healthcare services industry in this context, there are uncertainties as to how these notices will be interpreted by the Chinese government.

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In March 2015, the State Council issued the Notice of the State Council on the National Healthcare Services System Planning Guidance (2015-2020) (《國務院辦公廳關於印發全國醫療衛生服務體系規劃綱要(2015—2020年)的通知》) to impose control over increasing the number of public hospital beds, which provides that in areas where public hospital beds exceed 3.30 per 1,000 persons, the public hospitals in such areas should not expand their scale in principle. However, the general plan is to increase the number of public hospital beds from 4.55 per 1,000 persons to 6.00 per 1,000 persons overall and from 1.26 per 1,000 persons to 1.80 per 1,000 persons for county-level public hospitals between 2013 and 2020 in a controlled manner.

In view of the above, our Directors are of the view that taken as a whole, the 2012 State Council Notices, the 2014 Urgent Notice, the 2013 Opinion and the September 2014 Notice form an overall reminder to public hospitals that notwithstanding the need to deepen reform of and further develop the healthcare services industry as well as accelerating the development of the healthcare services system, such reforms and development should be conducted with care and rapid unrestrained expansion must be controlled. The main objective of the Chinese government is to address the imbalance of medical resources distribution which has given rise to policies that encourage investment in the healthcare industry in general but will also aim to curb unrestrained expansion in certain areas of the healthcare industry.

Our PRC Legal Advisor has advised us that, neither of the 2012 State Council Notices and 2014 Urgent Notice is a law or administrative regulation, and accordingly, the existing finance leases we have entered into with public hospitals will not be considered void or unenforceable for violating notices. The 2012 State Council Notices and the 2014 Urgent Notice are applicable only to public hospitals and are not applicable to us. There are also no penalties stipulated for any action that is inconsistent with these notices. However, our PRC Legal Advisor has also advised us that public hospitals are required to make an application (which needs to include a description of the source of funds) to the competent health authorities (衛生局) to obtain a Large-Scale Medical Equipment Allocation Permit prior to purchasing large-scale medical equipment, as well as submitting their annual budget to the competent authorities for approval. Accordingly, the relevant competent authorities could potentially by means of refusing to issue the Large-scale Medical Equipment Allocation Permits or disapproving the annual budget to restrict hospitals' debt financing activities.

As of the Latest Practicable Date, we have not seen any negative impact of these notices on our business. Public hospitals continued to enter into financing leasing contracts with us during the Track Record Period at the same time and after these notices were issued. In each of 2012, 2013 and 2014, we entered into financial leasing contracts with hospitals with an aggregate contract value of RMB3,312.4 million, RMB4,586.7 million and RMB6,762.3 million, respectively, and a substantial majority of the hospitals are public hospitals. Our finance income from hospitals grew at a CAGR of 58.4% during the Track Record Period which covers the period when these notices were issued. In the three months ended March 31, 2015, our Group recorded revenue of RMB354.6 million from our financial leasing business with respect to the healthcare sector compared to RMB237.7 million in the same period in 2014. Accordingly, having regard to these facts, and the advices of our PRC Legal Advisor, our

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Directors are of the view that none of the foregoing notices has or, unless there is any future change in laws, rules, regulations or interpretation of policies against our favor, which are not within our Group's control and not foreseeable by our Directors, would have any material adverse impact on our Group's future business prospect.

However, in light of the general policy trend of encouraging private healthcare institutions to have a higher market share in China's healthcare market, given that historically we focus on public hospital customers, if we fail to adjust our strategy to either allocate more sales and marketing efforts on private hospital customers or explore cooperation models with public hospitals that are encouraged by government policies from time to time, our results of operations and business prospects may be materially and adversely affected. In addition, there is no assurance that the PRC government will not take any action to enact the prohibition set forth in the notices described above as laws or administrative regulations in the future or that due to any future change in policies, public hospitals will not strictly follow the notices and decide not to enter into finance leases with us. If that happens, the demand by public hospitals for our financial leasing services may decline, and our business financial condition and results of operations could be materially and adversely affected.

We may not be able to retain members of our management team and other key personnel.

We depend on the continued efforts of our senior management team and other key employees for our success. Our executive Directors, such as our CEO, Mr. Guo, and our CFO, Ms. Peng, and our senior management play vital roles in our Company's operation. Our executive Directors have an average of over 25 years of experience in China's financial services industry, of which an average of nine years has been spent with us. They collectively possess in-depth understanding of our target industries, our customers and competitors and the laws regulating our business. Therefore, they play an important role in formulating and implementing appropriate strategies for achieving business success for our Company. However, we cannot assure you that any of our key management will not voluntarily terminate his or her employment with us or leave his or her position due to reasons beyond our control. The loss of service of any of our key management, in particular our executive Directors, could impair our ability to operate and make it difficult to implement our business and growth strategies. We may not be able to replace such persons within a reasonable period of time or with another person of equivalent expertise and experience on a timely basis, or at all, which may severely disrupt our business operations.

In respect of the development of our hospital digitalization services, our employment agreements with the core members of our technology team, including Mr. Denning, end on December 31, 2015. However, we cannot assure you that any of core technology team will not voluntarily terminate his employment with us or leave his position due to other reasons beyond our control. The loss of service of any member of our core technology team could impair our ability or delay the development of our hospital digitalization services.

RISK FACTORS

Our risk management systems and internal control policies may not be effective in mitigating our risk exposure.

Our risk management systems and internal control policies may not be effective in mitigating our exposure to all types of risks, including unidentified or unanticipated risks. Some risk management and control methods are based upon historical market behavior and past events. As such, we may not be able to adequately identify or estimate future risk exposures, which could be significantly greater than indicated by measures based on historical data. Other risk management methods depend on evaluation of information regarding markets, customers or other relevant matters, which may be inaccurate, incomplete, obsolete or improperly evaluated. For instance, the information infrastructure in China is relatively underdeveloped and we have no direct access to the nationwide credit information system that is open to commercial banks in China. As such, we are only able to rely on publicly available resources and our internal resources to assess credit risks associated with a particular customer. Such assessment may not be based on complete, accurate or reliable information. Furthermore, as we develop additional product and service offerings, we may not be able to adequately identify and predict future risk exposures.

In addition, management of operational, legal or regulatory risks requires various sets of policies and procedures in order to accurately record and verify a large number of transactions and events. Such policies and procedures may not be fully effective. Any failure of our risk management procedures or any failure to identify applicable risks could materially and adversely affect our business, financial condition and results of operations.

We may be involved in legal and other disputes from time to time arising out of our operations.

We are involved in legal and other disputes from time to time for a variety of reasons, which are generally the disputes or claims arising out of our business operations. The majority of these cases arise in the ordinary course of our business. As of the Latest Practicable Date, we were involved in a relatively material ongoing legal proceeding with a financial leasing customer in the shipping industry involving a claim in the amount of RMB1.3 million representing less than 0.1% of our revenue in 2014. The customer initiated the legal proceeding during the Track Record Period, claiming that we wrongfully repossessed a ship underlying a finance lease for its failure to make lease payments. See “Business—Legal Proceedings and Compliance—Legal Proceedings”. Where we assess and discover a risk of potential loss, we will make provisions for the loss according to our policies. In addition, our view on provisions will change according to our risk assessment. We cannot guarantee that the outcome in any of the litigations in which we are involved would be favorable to us or that our litigation provisions are adequate to cover our losses arising from legal proceedings or other disputes. We may encounter various legal, administrative or other disputes and proceedings in the future, which may result in damage to our reputation, additional operational costs and a diversion of resources and management’s attention from our core business operations.

RISK FACTORS

Disruptions to our information technology systems could materially and adversely affect our business, financial condition and results of operations, and may subject us to liabilities and harm our reputation.

Our business operations rely on our information technology systems. These systems include our ERP System, customer relationship management system, financial leasing business management system and fully digitalized financial management system. The proper functioning of our financial control, risk management, accounting, customer service and other data processing systems is critical to our business and our ability to compete effectively. We have established our own internal back-up systems to carry on principal functions in the event of system failures. However, we cannot assure you that our operations will not be materially disrupted if any of our systems fails due to, among other things, fire, natural disasters, power loss, software faults, computer virus attacks, conversion errors due to system upgrades, or security breaches. Any disruption to any of our information technology systems could materially and adversely affect our business, financial condition and results of operations.

We may not be able to detect and prevent fraud or other misconduct committed by our employees or third parties.

Fraud or other misconduct by employees, such as unauthorized business transactions and breaches of our internal policies and procedures, or third parties, such as breach of law, may be difficult to detect and prevent and could subject us to financial loss, sanctions imposed by governmental authorities and seriously harm our reputation. Our centralized risk management systems, information technology systems and internal control procedures are designed to monitor our operations and overall compliance. However, we cannot assure you that we will be able to identify non-compliance or suspicious transactions in a timely manner or at all. Furthermore, it is not always possible to detect and prevent fraud or other misconduct and the precautions we take to prevent and detect such activities may not be effective. Hence, there exists the risk that fraud or other misconduct may have previously occurred but was undetected, or may occur in the future. As a result of actual occurrence of fraud or other misconduct, our business, financial condition and results of operations could be materially and adversely affected.

We may not have adequate insurance coverage to cover potential liabilities or losses.

We have obtained insurance coverage for our business operations in accordance with legal requirements, and in respect of all assets which we deem material for our operations. We would also generally obtain insurance on our equipment leasing assets unless we are satisfied that the assets are already adequately insured by our equipment leasing customer and we are named as the beneficiary. However, we face various risks in connection with our businesses and may lack adequate insurance coverage or may have no relevant insurance coverage. In addition, in line with general practice in China, we do not maintain business interruption insurance. As a result, our insurance coverage may be inadequate to cover such losses should they arise. If there is any uninsured losses that result in our customers' inability to make lease payments, our financial condition and results of operations may be materially and adversely affected.

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Our Controlling Shareholders have significant influence over our Company, and their interest may not be aligned with the interests of our other Shareholders.

Immediately following the Global Offering, our Controlling Shareholders will hold in aggregate approximately 38.3% of our Shares, assuming the Over-Allotment Option is not exercised. Our Controlling Shareholders will, through their voting power at the Shareholders' meetings and their delegates on the Board, have significant influence over our business and affairs, including decisions with respect to mergers or other business combinations, acquisition or disposition of assets, issuance of additional Shares or other equity securities, timing and amount of dividend payments, and our management. Our Controlling Shareholders may not act in the best interests of our minority Shareholders. For example, without the consent of our Controlling Shareholders, we could be prevented from entering into transactions that could be beneficial to us. This concentration of ownership may also discourage, delay or prevent a change in control of our Company, which could deprive our Shareholders of an opportunity to receive a premium for the Shares as part of a sale of our Company and may significantly reduce the price of our Shares.

Failure to comply with China's anti-corruption laws could subject us to investigations, sanctions or fines, which may harm our reputation and materially and adversely affect our business, financial condition and results of operations.

We operate in the healthcare sector in China, which poses elevated risks of anti-corruption violations. The Chinese government has recently increased its anti-bribery efforts to reduce improper payments received by doctors and hospital administrators in connection with pharmaceutical and medical equipment purchases and provision of healthcare solutions. Although we have not been subject to any government investigation relating to anti-corruption violations, our employees, external experts, equipment suppliers, or hospital staff and administration at our hospital customers may have taken action in violation of Chinese anti-corruption laws without our knowledge. If this is the case, or if any violation occurs in the future, we may be subject to investigations, sanctions or fines, and our reputation could be significantly harmed by any negative publicity stemming from such incidents, which could materially and adversely affect our business, financial condition, results of operations and prospects, as well as our reputation.

Our business, financial condition and results of operations may be materially and adversely affected by any change in government policies in respect of China's education industries.

As of December 31, 2014, 28.2% of our net lease receivables were from educational projects. Therefore, our business is also affected by the prospects of China's education industry. As China's education industry is heavily regulated, we cannot assure you that the current favorable government policies in respect of China's education industry will continue. Any unfavorable change in the government policies in respect of China's education industry could materially and adversely affect our business, financial condition and results of operations.

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We may not be able to register our trademarks in Hong Kong.

As of the Latest Practicable Date, we have applied for registration of certain trademarks in Hong Kong, including the logos “”, “”, “”, “” and “”, in respect of services that we offer in China. Details of the applications are set forth in the paragraph under “Appendix IV—Statutory and General Information— 2. Further information about our business — 2.2 Intellectual property rights of our Group — (a) Trademarks” in this prospectus. However, there is no assurance that these applications for trademark registration in Hong Kong will eventually be approved or that we would be granted exclusive rights to use these marks as registered trademarks in Hong Kong. If the trademarks including the logos “”, “”, “”, “” and “” could not be registered, or if the registration process is delayed, our trademarks may be infringed, which may materially and adversely affect our business, prospects, financial condition and results of operations.

RISKS RELATING TO OUR FINANCE LEASE PORTFOLIO

If we are unable to effectively maintain the quality of our financial leasing assets, our business, financial condition and results of operations may be materially and adversely affected.

As of December 31, 2012, 2013 and 2014, our net lease receivables from customers were RMB5,291.2 million, RMB9,698.4 million and RMB15,850.1 million, respectively. The sustainability and future growth of our equipment financing business, which generated finance lease income contributing 66.6% of our total revenue before business tax and surcharges in 2014, depends largely on our ability to effectively manage the credit risk and maintain the quality of our financial leasing assets. Any deterioration in the quality of our financial leasing assets or impairment in the collectability of our lease receivables could materially and adversely affect our business, financial condition and results of operations. As of December 31, 2012, 2013 and 2014, our non-performing asset ratio was 1.00 %, 0.91% and 0.83%, respectively. We may not be able to effectively control the level of non-performing assets in the future.

However, the quality of our financial leasing assets may deteriorate for a variety of reasons, including the effectiveness of our risk management system and other factors beyond our control, such as a slowdown in the economic growth of China or global economies, a recurrence of a global credit crisis or other adverse macroeconomic conditions which may result in operational, financial and liquidity problems for our customers, or a slowdown of the industries where our financial leasing customers operate businesses, such as the healthcare industry and the education industry, thereby reducing their demand for our financing. If the level of our non-performing assets and/or impaired lease receivables increases, we would incur higher impairment losses, and our business, financial condition and results of operations may be materially and adversely affected.

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We had net current liabilities during the Track Record Period and we cannot assure you that we can or will continue to match the maturity profile of our assets and liabilities as they grow. Net current liabilities and net liquidity gaps could negatively impact our ability to repay our borrowings and settle our outstanding liabilities, when due, and may impair our ability to obtain additional financing to fund our future growth.

As of December 31, 2012, 2013 and 2014, we had net current liabilities of RMB919.1 million, RMB822.0 million and RMB652.5 million, respectively, representing 31.8%, 20.6% and 12.1% of our current liabilities, respectively. The net current liabilities during the Track Record Period was primarily due to our borrowings from related parties. When assessing our liquidity risk, our management is of the view that we would generally be able to renew these borrowings when due, and thus we do not consider the current portion of borrowings from related parties imposes on us a significant liquidity risk similar to the current portion of bank borrowings. Excluding borrowings from related parties, we would have had net current assets of RMB211.4 million, RMB561.4 million and RMB372.1 million as of December 31, 2012, 2013 and 2014, respectively. See “Financial Information—Liquidity and Capital Resources—Liquidity and Net Current Liabilities”. We repaid all borrowings from related parties in full in June 2015 by obtaining new bank and other borrowings, most of which are long-term borrowings. Therefore, we expect that after the repayment, we will have a net current assets position. However, there is no assurance that we will not have net current liabilities in the future.

In addition, we manage our liquidity risk by regularly monitoring the relative maturities between our assets and liabilities and by taking the necessary steps to maintain an appropriate and prudent balance of long-term and short-term funding sources. As of December 31, 2012, we had net liquidity gap with respect to our current financial assets and liabilities (receivable or payable in one year or less) of RMB443.0 million, primarily due to the use of short-term borrowings from related parties to fund our finance leases which are generally long-term receivables. See “Financial Information—Liquidity and Capital Resources—Liquidity and Net Current Liabilities” for details. We cannot assure you that we will not have similar net liquidity gap in the future.

Net current liabilities and net liquidity gaps may result in our inability to repay our borrowing and settle our outstanding liabilities when due, and may impair our ability to obtain additional financing to fund our future growth, which may have a material adverse effect on our financial condition, results of operations and prospects.

Our financial leasing business requires substantial capital and we may not be able to obtain sufficient funds on commercially acceptable terms to finance our operations or expansion plans, or at all.

Due to the capital-intensive nature of our financial leasing business operations, a substantial amount of capital as well as ongoing funding is required to support the growth of our financial leasing assets, as well as to fund future expansion. During the Track Period Record, working capital requirements were primarily supported by internal funding sources, bank loans, secured bonds, borrowings from related parties. Going forward, we plan to explore more diversified funding sources. However, our ability to arrange financing and the cost of

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such financing are dependent on numerous factors, including global economic and market conditions, interest rates, credit availability from banks or other lenders, success of our businesses, changes in the monetary policy of the Chinese government with respect to bank interest rates and lending policies and the political and economic conditions in China generally. If we fail to maintain our existing and future loans or alternative funding arrangements on commercially acceptable terms, or at all, there can be no assurance that we will be able to continue to obtain adequate funding to finance our future growth. As a result, our business, financial condition, results of operations and liquidity could be materially and adversely affected.

Our provisions for impairment losses on lease receivables may not be adequate to cover future credit losses, and we may need to increase our provisions for impaired receivables to cover such future credit losses.

We prepare our financial statements in accordance with HKFRS and assess our provisions for impairment losses based on non-performing lease receivables on an individual basis and our performing lease receivables on a collective basis. We had impairment provision on lease receivables of RMB55.3 million, RMB133.6 million and RMB219.5 million, representing a provision coverage ratio of 104.88%, 151.01% and 166.10% of our net lease receivables as of December 31, 2012, 2013 and 2014, respectively. This reflected both the growth of our business operations and our approach to provisions in view of the macroeconomic environment. The amount of these provisions is determined on the basis of our internal provision procedures and guidelines upon consideration of factors such as the nature and characteristics of our industry-specific customers, credit record, economic conditions and trends, history of write-offs, payment delinquencies and the value of the assets underlying the leases. As our provisions under HKFRS require significant judgment and estimation, our provisions for impairment losses may not always be adequate to cover actual impairment losses on our lease assets in the future. Our provisions may prove to be inadequate if adverse changes occur in China's economy or if other events adversely affect specific customers, industries or markets. Under such circumstances, we may need to make additional provisions for our receivables, which could significantly reduce our profit and materially and adversely affect our business, financial condition, results of operations.

We may not be able to timely and cost-efficiently repossess the underlying equipment of our finance leases, or at all.

In the event of any material default on interest payment terms, we are entitled to repossess the equipment underlying our finance leases to realize their value. The procedures for repossessing the assets underlying the leases in China may be protracted and ultimately unsuccessful, and such procedures in China may be difficult for legal and practical reasons. If we are unable to bring an action with respect to any assets underlying our finance leases to be repossessed and disposed of on a timely basis, our business, financial condition or results of operations could be materially and adversely affected.

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In addition, a majority of our revenue is derived from finance lease income with hospitals in China. If any of our hospital customers is in material default, we would incur additional cost to effect repossession or re-lease of the relevant medical equipment. In addition, we may have to incur additional amount necessary for the maintenance of the medical equipment in appropriate condition for re-leasing or re-sale. We may also incur storage costs associated with any medical equipment that we repossess and are unable to lease to another hospital customer or sell such medical equipment promptly. In any of these events, our business, financial condition and results of operations could be materially and adversely affected.

The value of assets underlying our leases which are disposed of upon repossession may be inadequate to cover related lease receivables.

Our finance leases are secured by the underlying equipment of which we retain the ownership title. However, the value of the assets underlying our finance leases to be disposed of may decline and may be materially and adversely affected by a number of factors, such as damage, loss, oversupply, devaluation or reduced market demand.

If the value of assets underlying our finance leases to be disposed of proves to be insufficient to cover the related lease receivables, we may not be able to recoup the principal amounts of the finance leases in the event of a default, and our business, financial condition and results of operations could be materially and adversely affected.

We operate equipment financing business in a competitive market.

The financial services industries is becoming increasingly competitive, and there can be no assurance that we will be able to sustain our competitive advantage or effectively implement our business strategies. Our equipment financing, provided in the form of financial leasing services, compete primarily with other major MOFCOM-approved financial leasing companies that engage in China's medical equipment financial leasing sector. Competition from such companies may result in, among others, pricing pressure on interest rates charged to customers, which may have a material adverse effect on our business, financial condition and results of operations.

In addition, we face competition from potential new players entering China's financial leasing market. Upon China's accession to the World Trade Organization in 2001, China's leasing industry entered a phase of rapid development and the number of both foreign and domestic investors participating in the industry has increased. In order to fulfil its commitment to liberalize China's financial leasing market, the MOFCOM implemented several policies to develop further the leasing industry and encourage additional investment. For instance, the Measures on the Administration of Foreign Investment in the Leasing Industry was promulgated in 2005 and permitted financial leasing business carried out by foreign-invested enterprises established in the form of equity joint venture, cooperative joint venture or wholly-foreign-owned enterprise. In order to encourage participation by domestic investors, the "Circular on Issues in Connection with the Engagement in Financial Leasing Business" was jointly promulgated by MOFCOM and the State Administration of Taxation. This circular permitted the establishment of domestic pilot financial leasing companies. Pursuant to the

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Decision of the State Council of China on the Fifth Batch of Administrative Examination and Approval Matters to be Cancelled or Delegated to Subordinate Authorities promulgated and effected on July 4, 2010, approval for the establishment or modification of foreign-invested enterprises engaged in financial leasing with a total investment amount of US\$300 million or less can be approved by provincial-level governmental authorities instead of those at the state level. We believe that these measures are likely to further increase competition in China's financial leasing industry. If we are unable to compete successfully against current and future participants in the industry and maintain our competitive advantage and market share, our business, results of operations and financial condition may be materially and adversely affected.

Interest rate changes may materially and adversely affect interest expenses related to our borrowings, reduce net interest income and reduce demand for our leasing services.

We are exposed to interest rate risk, which is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Our exposure to the risk of changes in market interest rates relates primarily to our interest-bearing bank and other borrowings and lease receivables. In order to remain responsive to changing interest rates and to manage our interest rate exposure, we have implemented measures to adjust the structure of our assets and liabilities based on an assessment of the sensitivity of projected net interest income under various interest rate scenarios. The interest rate we charge to our financial leasing customers and the interest we pay on a majority of our bank and other borrowings are floating and with reference to the PBOC benchmark interest rates. However, as of December 31, 2014, 21.7% of our bank and other borrowings were tied to CNH HIBOR, and our RMB1,600,000,000 bonds issued in 2014 had a fixed interest rate. Such mismatch exposes us to an interest rate risk, and may negatively affect our net interest margin and net interest spread if different benchmark interest rates fluctuate and diverge. In addition, an increase in interest rates, or the perception that an increase may occur, could adversely affect our ability to obtain bank loans at favorable interest rates, our ability to maximize our interest income, our ability to originate new leases and our ability to grow our financial leasing business. Furthermore, our net interest income is also impacted by our ability and frequency of repricing the applicable interest rates. If we fail to appropriately adjust the interest rates of our lease contracts in a timely manner, our net interest spread and our net interest margin may decrease, and as a result, our profitability and results of operations could be materially and adversely impacted. Any increase in our interest expense or decrease in our net interest income could have a material adverse effect on our business, results of operations and financial condition.

We are exposed to foreign exchange rate risks.

All of our lease receivables are denominated in Renminbi, while a portion of our bank and other borrowings are denominated in U.S. dollars. As of December 31, 2012, 2013 and 2014, 39.5%, 33.5% and 16.5% of our bank and other borrowings were denominated in U.S. dollars, respectively. Therefore, fluctuations of the foreign exchange rate between Renminbi and U.S. dollars would result in changes in the carrying value of our U.S. dollar denominated loans, which would in turn result in foreign exchange gains or losses. We currently do not enter into

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derivative financial instruments to hedge our foreign exchange rate exposure. If U.S. dollar appreciates significantly against Renminbi, we will incur a significant foreign exchange loss as a result, which may have a material adverse effect on our financial condition and results of operations.

RISKS RELATING TO CONDUCTING BUSINESS IN CHINA

Changes in China's economic, political and social conditions, as well as government policies, could have a material adverse effect on our business, financial condition, results of operations and prospects.

Substantially all of our assets and operations are located in China. As a result, our business, financial condition, results of operations and prospects are affected by the economic, political and legal developments in China. In particular, the Chinese government continues to have significant influence on the economic growth of China through allocating resources, controlling payments of foreign currency-denominated obligations, setting monetary policy and providing preferential treatments to particular industries or companies. In recent years, the Chinese government has implemented measures emphasizing the utilization of market forces in the economic reform, the reduction of state ownership of productive assets and the establishment of sound corporate governance in business enterprises. These economic reform measures may be adjusted, modified or applied inconsistently from industry to industry, or across different regions of the country. As a result, some of these measures that may benefit the overall economy of China may nevertheless have an adverse effect on us.

Adverse developments in China's economy or an economic slowdown in China may reduce the demand for our products and services and have a material adverse effect on our results of operations, financial condition and prospects.

We conduct most of our business and generate all of our revenues in China. As a result, economic developments in China have a significant effect on our financial condition and results of operations, as well as our prospects. In recent years, China has been one of the world's fastest growing economies in terms of GDP growth. However, the global financial crisis that unfolded in 2008 and continued in the past few years has led to a marked slowdown in the economic growth of China. For example, the GDP growth rate of China decreased from 11.4% in 2007 to 7.4% in 2014, and the Chinese government expect that the GDP growth rate in 2015 will be approximately down to 7.0%. The global economy may continue to deteriorate in the future and continue to have an adverse impact on China's economy. Any significant slowdown in the Chinese economy could have a material adverse effect on our business and operations. In particular:

- during a period of economic slowdown, there is a greater likelihood that more of our customers or counterparties could become delinquent in respect of their finance lease repayments or other obligations to us, which, in turn, could result in a higher level of non-performing loans, allowance for impairment losses on loans and write-offs, all of which would materially reduce our profit before tax;

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- we may not be able to raise additional capital on favorable terms, or at all; and
- trade and capital flows may further contract as a result of protectionist measures introduced in certain markets, which could cause a further slowdown in economies and materially and adversely affect our business and prospects.

In addition, factors such as consumer, corporate and government spending, business investment, volatility of the capital markets and inflation all affect the business and economic environment, the growth of China's healthcare industry and ultimately, the profitability of our business. Our labor and other costs may also increase due to pressure from inflation. Any future calamities, such as natural disasters, outbreak of contagious diseases or social unrest, may cause a decrease in the level of economic activities and adversely affect the economic growth in China, Asia and elsewhere in the world.

If China's economy experiences significant adverse developments or a significant downturn, we could experience reduced level of liquidity and increased credit spreads, and our business, financial condition and results of operations would be materially and adversely affected.

Uncertainties with respect to China's legal system could materially and adversely affect us.

Our business and operations are primarily conducted in China and are governed by applicable Chinese laws, rules and regulations. China's legal system is based on written statutes and their interpretation by the Supreme People's Court. Prior court decisions may be cited for reference, but have limited weight as precedents. Since the late 1970s, the Chinese government has significantly enhanced China's legislation and regulations to provide protection to various forms of foreign investments in China. However, China has not developed a fully integrated legal system, and recently-enacted laws, rules and regulations may not sufficiently cover all aspects of economic activity in China. As many of these laws, rules and regulations are relatively new, and because of the limited volume of published decisions, the interpretation and enforcement of these laws, rules and regulations involve uncertainties and may not be as consistent and predictable as in other jurisdictions. In addition, China's legal system is based in part on government policies and administrative rules that may have a retroactive effect. As a result, we may not be aware of our violations of these policies and rules until some time after the violation. Furthermore, the legal protection available to us under these laws, rules and regulations may be limited. Any litigation or regulatory enforcement action in China may be protracted and may result in substantial costs and the diversion of resources and management attention, which in turn could have a material adverse effect on our financial condition and results of operations.

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Fluctuations in exchange rates and governmental control over currency conversion may affect the value of your investment and limit our ability to utilize our cash effectively.

Renminbi is not currently a freely convertible currency. We receive all of our payments from our customers in Renminbi and will need to convert Renminbi into foreign currencies for the payment of dividends, if any, to holders of our Shares. Under the existing foreign exchange regulations in China, following the completion of the Global Offering, we will be able to pay dividends in foreign currencies without prior approval from SAFE or its local branches by complying with certain procedural requirements. However, the Chinese government may take measures at its discretion in the future to restrict access to foreign currencies for current account transactions if foreign currencies become scarce in China. We may not be able to pay dividends in foreign currencies to our Shareholders if the Chinese government restricts access to foreign currencies for current account transactions. Foreign exchange transactions under our capital account continue to be subject to significant foreign exchange controls. These limitations could affect our ability to obtain foreign exchange through equity financing, or to obtain foreign exchange for capital expenditures.

The exchange rate of the Renminbi against the Hong Kong dollar, U.S. dollar and other foreign currencies fluctuates and is affected by, among other things, the policies of the Chinese government and changes in China's and international political and economic conditions. Since 1994, the conversion of Renminbi into foreign currencies, including Hong Kong dollars and U.S. dollars, has been based on rates set by the PBOC, which are set daily based on the previous Business Day's interbank foreign exchange market rates and current exchange rates on the world financial markets. From 1994 to July 2005, the official exchange rate for the conversion of Renminbi to Hong Kong dollars and U.S. dollars was generally stable. In July 2005, the Chinese government introduced a managed floating exchange rate system to allow the value of Renminbi to fluctuate within a regulated band based on market supply and demand and by reference to a basket of currencies. The Chinese government has since made, and in the future may make, adjustments to the exchange rate system. There remains significant international pressure on the Chinese government to adopt a more flexible currency policy, which, together with domestic policy considerations, could result in a further and more significant appreciation of Renminbi against the Hong Kong dollar, the U.S. dollar or other foreign currencies. If the appreciation of Renminbi continues, and as we need to convert the proceeds from the Global Offering and future financing into Renminbi for our operations, appreciation of Renminbi against the relevant foreign currencies would reduce the Renminbi amount we would receive from the conversion. On the other hand, because the dividends on our Shares, if any, will be paid in Hong Kong dollars, any devaluation of Renminbi against the Hong Kong dollar could reduce the amount of any cash dividends on our Shares in Hong Kong dollar terms.

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We may be deemed to be a Chinese tax resident under the Enterprise Income Tax Law and our global income may be subject to Chinese corporate withholding tax under the Enterprise Income Tax Law.

We are incorporated under the Hong Kong laws and directly hold interests in our Chinese operating subsidiaries. Pursuant to the Enterprise Income Tax Law of China (《中華人民共和國企業所得稅法》) and the Regulation on the Implementation of the Enterprise Income Tax Law of China (《中華人民共和國企業所得稅法實施條例》), or collectively the EIT Law, if an enterprise incorporated outside China has its “de facto management bodies” within China, such enterprise would generally be deemed a “Chinese resident enterprise” for tax purposes and be subject to an enterprise income tax rate of 25.0% on its global incomes. “De facto management body” is defined as the body that has actual overall management and control over the business, personnel, accounts and properties of an enterprise. In April 2009, the State Administration of Taxation promulgated a circular to clarify the certain criteria for the determination of the “de facto management bodies” for foreign enterprises controlled by Chinese enterprises. These criteria include: (1) members of senior management who are in charge of the enterprise’s day-to-day operation and senior management department which operates from China; (2) decisions relating to the enterprise’s financial and human resource matters are made or subject to approval by organizations or personnel in China; (3) the enterprise’s primary assets, accounting books and records, company seals, and board and shareholders’ meeting minutes are located or maintained in China; and (4) 50.0% or more of voting board members or senior executives of the enterprise habitually reside in China. According to these regulations, we might be regarded as a Chinese resident enterprise by Chinese tax authority and pay enterprise income tax at a rate of 25.0% for all of our global income.

Dividends payable by us to our foreign investors and gain on the sale of our Shares may become subject to withholding taxes under Chinese tax laws.

Under the EIT Law, we may in the future be deemed as a Chinese resident enterprise by the Chinese tax authorities for tax purpose. As such, we may be required to withhold Chinese income tax on capital gains realized from sales of our Shares and dividends distributed to Shareholders, as such income may be regarded as income from “sources within China”. In this case, our foreign corporate Shareholders who are not deemed a Chinese resident enterprise may become subject to a 10% withholding income tax under the EIT Law, unless any such foreign corporate Shareholder is qualified for a preferential withholding rate under a tax treaty. If the Chinese tax authorities deem us as a Chinese resident enterprise, Shareholders who are not Chinese tax residents but seeking to enjoy preferential tax rates under relevant tax treaties will need to apply to the Chinese tax authorities to seek approval for recognition of eligibility for such benefits in accordance with the Circular of the State Administration of Taxation on Printing and Issuing the Administrative Measures for Non-resident Individuals and Enterprises to Enjoy the Treatment Under Taxation Treaties (關於印發非居民企業享受稅收協定待遇管理辦法(試行)的通知) (“Circular 124”), issued on August 24, 2009 and effective from October 1, 2009. The preferential tax rate does not automatically apply. With respect to dividends, the beneficial ownership tests under the Circular on Interpretation and Determination of Beneficial Owner under Tax Treaties (關於如何理解和認定稅收協定中「受益所有人」的通知) issued by the State

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Administration of Taxation (the “Circular 601”) will also apply. If determined to be ineligible for treaty benefits, such a Shareholder would become subject to higher Chinese tax rates on dividends of our Shares. In such circumstances, the value of such foreign Shareholders’ investment in our Shares sold in the Global Offering may be materially and adversely affected. In respect of actual realized capital gains, it is unclear whether the taxation will be assessed based on beneficial ownership. If a Shareholder is assessed not to qualify for the preferential tax rate, then he must pay capital gains tax at the higher tax rate.

The heightened scrutiny over acquisitions from the Chinese tax authorities may have an adverse impact on our business, acquisition or restructuring strategies or the value of your investment in us.

On February 3, 2015, the PRC State Administration of Taxation issued the *Public Announcement on Several Issues Concerning Enterprise Income Tax for Indirect Transfer of Assets by Non-Resident Enterprises* (關於非居民企業間接轉讓財產企業所得稅若干問題的公告) (“Circular 7”), which abolished certain provisions in the *Notice on Strengthening the Administration of Enterprise Income Tax on Non-Resident Enterprises* (關於加強非居民企業股權轉讓企業所得稅管理的通知) (“Circular 698”), which was previously issued by the State Administration of Taxation on December 10, 2009, as well as certain other rules providing clarification on Circular 698. Circular 7 provided comprehensive guidelines relating to, and also heightened the Chinese tax authorities’ scrutiny over, indirect transfers by a non-resident enterprise of assets (including equity interests) of a Chinese resident enterprise (“Chinese Taxable Assets”).

For example, Circular 7 provides that the PRC tax authorities are entitled to reclassify the nature of an indirect transfer of Chinese Taxable Assets, when a non-resident enterprise transfers Chinese Taxable Assets indirectly by disposing of equity interests in an overseas holding company directly or indirectly holding such Chinese Taxable Assets, by disregarding the existence of such overseas holding company and considering the transaction to be a direct transfer of Chinese Taxable Assets, if such transfer is deemed to have been conducted for the purposes of avoiding PRC enterprise income taxes and without any other reasonable commercial purpose. Although Circular 7 contains certain exemptions (including, (i) where a non-resident enterprise derives income from the indirect transfer of Chinese Taxable Assets by acquiring and selling shares of a listed overseas holding company which holds such Chinese Taxable Assets on a public market; and (ii) where there is an indirect transfer of Chinese Taxable Assets, but if the non-resident enterprise had directly held and disposed of such Chinese Taxable Assets, the income from the transfer would have been exempted from enterprise income tax in the Chinese under an applicable tax treaty or arrangement), it remains unclear whether any exemptions under Circular 7 will be applicable to the transfer of our Shares or to any future acquisition by us outside China involving Chinese Taxable Assets, or whether the Chinese tax authorities will reclassify such transaction by applying Circular 7. Therefore, the Chinese tax authorities may deem any transfer of our Shares by our Shareholders that are non-resident enterprises, or any future acquisition by us outside China involving Chinese Taxable Assets, to be subject to the foregoing regulations, which may subject our Shareholders or us to additional Chinese tax reporting obligations or tax liabilities.

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We rely principally on dividends paid by our subsidiaries to fund any cash and financing requirements we may have, and any limitation on the ability of our Chinese subsidiaries to pay dividends to us could materially and adversely affect our ability to conduct our business.

We are a company incorporated in Hong Kong and operate our core businesses through our operating subsidiaries in China. Therefore, the availability of funds to pay dividends to our Shareholders depends upon dividends received from these subsidiaries. If our subsidiaries incur debts or losses, such indebtedness or loss may impair their ability to pay dividends or other distributions to us. As a result, our ability to pay dividends will be restricted. The applicable Chinese laws, rules and regulations require that dividends be paid only out of the net profit calculated according to the Chinese accounting principles, which differ in many aspects from generally accepted accounting principles in other jurisdictions, including HKFRS. The applicable Chinese laws, rules and regulations also require foreign-invested enterprises to set aside part of their net profit as statutory reserves. These statutory reserves are not available for distribution as cash dividends. In addition, restrictive covenants in bank credit facilities or other agreements that we or our subsidiaries may enter into in the future may also restrict the ability of our subsidiaries to provide capital or declare dividends to us and our ability to receive distributions. As a result, these restrictions on the availability and usage of our major source of funding may impact our ability to pay dividends to our Shareholders.

Under the EIT Law, we may in the future be deemed as a Chinese residential enterprise by the Chinese tax authorities. In addition, under the EIT Law, certain qualifying dividend payments between Chinese resident enterprises are tax free. However, we cannot assure you that we will be deemed to be a Chinese resident enterprise, and that entity we incorporate in China and our Chinese subsidiary CU Leasing do not need to pay dividend withholding income tax.

The Chinese regulations relating to the establishment of offshore special purpose companies by Chinese residents may subject our management who holds Shares to personal liability and limit our ability to limit CU Leasing's ability to distribute profits to us, or otherwise adversely affect our financial position.

SAFE issued the Circular of the State Administration of Foreign Exchange on Relevant Issues concerning Foreign Exchange Administration of Offshore Investment, Financing and Inbound Investment through Special Purpose Companies by Chinese Residents ("Circular 37") on July 4, 2014. According to Circular 37, special purpose company means the offshore companies that are directly established or indirectly controlled by Chinese domestic residents (including domestic entities and domestic individuals), for financing purposes, with the onshore or offshore assets or equities legally held by such domestic residents. In the event that an unlisted special purpose company intends to issue share incentive to the employees of its Chinese subsidiaries with its own shares, such employees who are Chinese individuals shall conduct foreign exchange registration for special purpose company with the competent foreign exchange authority. Although Circular 37 is silent on the liabilities of the special purpose company's Chinese subsidiaries in the event of such employees' failure to conduct such foreign exchange registration, in practice, such Chinese subsidiaries may be prohibited

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from distributing their profits and the proceeds from any reduction in capital, share transfer or liquidation to the offshore special purpose company. Moreover, failure to conduct the foreign exchange registration in accordance with Circular 37 could result in Chinese individuals' liability under Chinese laws for evasion of applicable foreign exchange restrictions.

Certain members of management of CU Leasing applied to Beijing Administration of Foreign Exchange ("Beijing SAFE") for the foreign exchange registration for special purpose companies in respect of their ownership of 3% of our Shares based on our share incentive plan for management and key employees in accordance with Circular 37. However, such application was rejected by Beijing SAFE as we are not deemed by Beijing SAFE as a special purpose company defined in Circular 37. If, in the future, such members are regarded by SAFE to have violated Circular 37 due to their holding of our Shares without conducting the foreign exchange registration as requested in Circular 37, such may be subject to fines and legal sanctions accordingly, and CU Leasing's ability to distribute profits to us may be restricted or our business may otherwise be materially and adversely affected.

You may experience difficulty in effecting service of legal process, enforcing foreign judgments or bringing original actions in China or Hong Kong based on foreign laws against us and our directors and senior management.

We are incorporated in Hong Kong. Almost all of our assets, and some of the assets of our Directors are located in China. Therefore, it may not be possible for investors to effect service of process upon us or those persons inside China. China has not entered into treaties or arrangements providing for the recognition and enforcement of judgments made by courts of most other jurisdictions. On July 14, 2006, Hong Kong and China entered into the Arrangement on Reciprocal Recognition and Enforcement of Judgments in Civil and Commercial Matters by the Courts of the Mainland and of the Hong Kong Special Administrative Region Pursuant to Choice of Court Agreements Between Parties Concerned (the "Arrangement"), pursuant to which a party with a final court judgment rendered by a Hong Kong court requiring payment of money in a civil and commercial case according to a choice of court agreement in writing may apply for recognition and enforcement of the judgment in China. Similarly, a party with a final judgment rendered by a Chinese court requiring payment of money in a civil and commercial case pursuant to a choice of court agreement in writing may apply for recognition and enforcement of such judgment in Hong Kong. A choice of court agreement in writing is defined as any agreement in writing entered into between parties after the effective date of the Arrangement in which a Hong Kong court or a Chinese court is expressly designated as the court having sole jurisdiction for the dispute. Consequently, it may not be possible to enforce a judgment rendered by a Hong Kong court in China if the parties in the dispute do not agree to enter into a choice of court agreement in writing. As a result, it may be difficult or impossible for investors to effect service of process against our assets or Directors in China in order to seek recognition and enforcement of foreign judgments in China.

China is one of the signatories to the Convention on the Recognition and Enforcement of Foreign Arbitral Awards (the "New York Convention"), which allows for the enforcement of arbitral awards given by the arbitration bodies of other New York Convention signatories. There is also reciprocal arrangement on enforcement of arbitral awards between Hong Kong

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and China under a memorandum of understanding which was signed on June 21, 1999, approved by the Supreme People's Court of China and the Hong Kong Legislative Council and became effective on February 1, 2000 (the "Memorandum of Understanding"). However, it may be difficult to seek recognition and enforcement of arbitral awards in China if the arbitral awards were given by arbitration bodies that are not signatories to the New York Convention or do not have arrangements with China similar to the Memorandum of Understanding.

Chinese regulations of direct investment and loans by offshore holding companies to Chinese entities may delay or limit us from using the net proceeds from the Global Offering to make additional capital contribution or loans to our major Chinese subsidiaries.

Any capital contributions or loans that we, as an offshore entity, make to our Chinese subsidiaries, including from the net proceeds from the Global Offering, are subject to Chinese regulations. For example, our loans to our Chinese subsidiaries may not exceed the difference between the total amount of investment our Chinese subsidiaries are approved to make under relevant Chinese laws and the registered capital of our major Chinese subsidiaries, and such loans must be registered with the local branch of SAFE. In addition, our capital contributions to our major Chinese subsidiaries must be approved by MOFCOM or its local counterpart. We cannot assure you that we will be able to obtain these approvals on a timely basis, or at all. If we fail to obtain such approvals, our ability to make equity contributions or provide loans to our Chinese subsidiaries or to fund their operations may be negatively affected, which may adversely affect our Chinese subsidiaries' liquidity and ability to fund their working capital and expansion projects and meet their obligations and commitments, and would have a material adverse effect on our business, financial condition and results of operations.

Natural disasters, epidemics, acts of war or terrorism or other factors beyond our control in the future may have a material adverse effect on our business, financial condition and results of operations.

Natural disasters, epidemics, acts of war or terrorism or other factors beyond our control may adversely affect the economy, infrastructure and livelihood of the people in the regions we conduct our business. These regions may be under the threat of typhoon, tornado, snow storm, earthquake, flood, drought, power shortages or failures, or are susceptible to epidemics, such as Severe Acute Respiratory Syndrome, avian influenza, H1N1 influenza, H5N1 influenza or H7N9 influenza, potential wars or terrorist attacks, riots, disturbances or strikes. Serious natural disasters may result in a tremendous loss of lives and injury and destruction of assets and disrupt our business and operations. Severe communicable disease outbreaks could result in a widespread health crisis that could materially and adversely affect business activities in the affected regions, which could therefore materially affect our operations. Acts of war or terrorism, riots or disturbances may also injure or loss of lives to our employees, and disrupt our business network and operations. Any of these factors and other factors beyond our control could have an adverse effect on the overall business environment, and materially and adversely impact our business, financial condition and results of operations.

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RISKS RELATING TO THE GLOBAL OFFERING AND OUR SHARES

There has been no prior public market for our Shares, their market price may be volatile and an active trading market in our Shares may not develop.

Prior to the Global Offering, there has been no public market for our Shares. The initial issue price range for our Shares was the result of negotiations between our Company and the Joint Global Coordinators on behalf of the Underwriters and the Offer Price may differ significantly from the market price of our Shares following the Global Offering. We have applied for listing of and permission to deal in our Shares on the Stock Exchange. The Listing on the Stock Exchange, however, does not guarantee that an active trading market for our Shares will develop, or if it does develop, that it will be sustainable following the Global Offering or that the market price of our Shares will not decline after the Global Offering.

Furthermore, the price and trading volume of our Shares may be volatile. The following factors, among others, may cause the market price of our Shares after the Global Offering to vary significantly from the Offer Price:

- variations in our revenue, earnings and cash flow;
- unexpected business interruptions resulting from natural disasters or power shortages;
- major changes in our key personnel or senior management;
- our inability to obtain or maintain regulatory approval for our operations;
- our inability to compete effectively in the market;
- political, economic, financial and social developments in China and Hong Kong and in the global economy;
- fluctuations in stock market prices and volume;
- changes in analysts' estimates of our financial performance; and
- involvement in material litigation.

Future issuances or sales, or perceived issuances or sales, of substantial amounts of our Shares in the public market could materially and adversely affect the prevailing market price of our Shares and our ability to raise capital in the future.

The market price of our Shares could decline as a result of future sales of substantial amounts of our Shares or other securities relating to our Shares in the public market, including by our Controlling Shareholders, substantial shareholders, or the issuance of new Shares by us, or the perception that such sales or issuances may occur. Future sales, or perceived sales,

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of substantial amounts of our Shares could also materially and adversely affect our ability to raise capital in the future at a time and at a price favorable to us, and our Shareholders would experience dilution in their holdings upon issuance or sale of additional securities in the future.

The market price of our Shares when trading begins could be lower than the Offer Price.

The initial price to the public of our Shares sold in the Global Offering is expected to be determined on or about June 30, 2015 and in any event, not later than July 7, 2015. However, the Shares will not commence trading on the Stock Exchange until they are delivered, which is expected to be the fifth Business Day after the Price Determination Date. As a result, investors may not be able to sell or otherwise deal in the Shares during that period. Accordingly, holders of our Shares are subject to the risk that the price of the Shares when trading begins could be lower than the Offer Price as a result of adverse market conditions or other adverse developments that may occur between the time of sale and the time trading begins.

Future financing may cause a dilution in your shareholding or place restrictions on our operations.

We may need to raise additional funds in the future to finance further expansion of our capacity and business relating to our existing operations, acquisitions or strategic partnerships. If additional funds are raised through the issuance of our new equity or equity-linked securities other than on a pro rata basis to existing Shareholders, the percentage ownership of such Shareholders in us may be reduced, and such new securities may confer rights and privileges that may take priority over those conferred by the Shares. Alternatively, if we meet such funding requirements by way of additional debt financing, we may have restrictions placed on us through such debt financing arrangements which may:

- limit our ability to pay dividends or require us to seek consent for the payment of dividends;
- increase our vulnerability to general adverse economic and industry conditions;
- require us to dedicate a substantial portion of our cash flows from operations to service our debt, thereby reducing the availability of our cash flow to fund capital expenditure, working capital requirements and other general corporate needs; and
- limit our flexibility in planning for, or reacting to, changes in our business and our industry.

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Potential investors will experience immediate and substantial dilution as a result of the Global Offering.

Potential investors will pay a price per Share in the Global Offering that substantially exceeds the per Share value of our tangible assets after subtracting our total liabilities and will therefore experience immediate dilution. As a result, if we were to distribute our net tangible assets to the Shareholders immediately following the Global Offering, potential investors would receive less than the amount they paid for their Shares. Please see Appendix II—“Unaudited Pro Forma Financial Information” to this prospectus.

We cannot assure you that we will declare and distribute any amount of dividends in the future.

As a holding company, our ability to declare future dividends will depend on the availability of dividends, if any, received from our operating subsidiaries. Under applicable laws and the constitutional documents of our operating subsidiaries, the payment of dividends may be subject to certain limitations. The calculation of certain of our operating subsidiaries' profit under applicable accounting standards differs in certain respects from the calculation under HKFRS. As a result, our operating subsidiaries may not be able to pay a dividend in a given year even if they have profit as determined under HKFRS. Accordingly, since our Company derives all of our earnings and cash flows from dividends paid to us by our operating subsidiaries, we may not have sufficient distributable profit to pay dividends to our Shareholders.

In 2012, 2013 and 2014, we declared dividends of RMB25.3 million, nil and RMB8.3 million, respectively. We cannot assure you that dividends will be declared or paid in the future. The declaration, payment and amount of any future dividends are subject to the discretion of our Directors depending on, among other considerations, our operations, earnings, financial condition, cash requirements and availability, our constitutional documents and applicable law. For more details on our dividend policy, please see “Financial Information—Dividend Policy”.

We cannot guarantee the accuracy of facts, forecasts and other statistics obtained from official governmental sources or other sources contained in this prospectus.

Certain facts, statistics and data contained in this prospectus relating to China, Hong Kong, the financial leasing industry, healthcare industry and education industry have been derived from various official government publications or other third-party reports we generally believe to be reliable. We have taken reasonable care in the reproduction or extraction of the official government publications or other third-party reports for the purpose of disclosure in this prospectus and have no reason to believe that such information is false or misleading or that any fact has been omitted that would render such information false or misleading. However, we cannot guarantee the quality or reliability of such source materials. They have not been prepared or independently verified by us, the Joint Sponsors, the Joint Global Coordinators, the Joint Bookrunners, the Joint Lead Managers, the Hong Kong Underwriters or any of their respective affiliates or advisors and, therefore, we make no representation as to the accuracy of such statistics, which may not be consistent with other information compiled within or

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outside China and Hong Kong. Due to possibly flawed or ineffective collection methods or discrepancies between published information and market practice, such statistics in this prospectus may be inaccurate or may not be comparable to statistics produced with respect to other economies. Furthermore, there is no assurance that they are stated or compiled on the same basis or with the same degree of accuracy as the case may be in other jurisdictions. In all cases, investors should give due consideration as to how much weight or importance they should attach to or place on such facts.

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

None of us, the Joint Global Coordinators, the Joint Bookrunners, the Joint Sponsors, the Joint Lead Managers, the Underwriters or any other person involved in the Global Offering has authorized the disclosure of information about the Global Offering in any press or media and none of these parties accepts any responsibility for the accuracy or completeness of any such information or the fairness or appropriateness of any forecasts, views or opinions expressed by the press and/or other media regarding our Shares, the Global Offering, our business, our industry or us. We make no representation as to the appropriateness, accuracy, completeness or reliability of any such information, forecasts, views or opinions expressed in any such publications. To the extent that such statements, forecasts, views or opinions are inconsistent or conflict with the information contained in this prospectus, we disclaim 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.

WAIVERS FROM STRICT COMPLIANCE WITH THE LISTING RULES

In preparation for the Listing, we have sought the following waivers from strict compliance with the relevant provisions of the Listing Rules:

WAIVER FROM STRICT COMPLIANCE WITH RULE 8.12 OF THE LISTING RULES

Rule 8.12 of the Listing Rules provides that a new applicant applying for a primary listing on the Stock Exchange must have a sufficient management presence in Hong Kong, which normally means that at least two of its executive directors must be ordinarily resident in Hong Kong. Since the core business, assets and operations of our Company are primarily located in China, our executive Directors are based and will, in the foreseeable future, continue to be based in China after the Listing.

We have applied to the Stock Exchange for and the Stock Exchange has granted a waiver from strict compliance with the management presence requirements under Rule 8.12 of the Listing Rules.

In order to ensure that regular communication is effectively maintained between the Stock Exchange and our Company, we will put in place the following measures:

- (a) pursuant to Rule 3.05 of the Listing Rules, we have appointed two authorized representatives, namely Ms. Peng Jiahong (our Chief Financial Officer, deputy general manager and an executive Director) and Ms. Cheng Pik Yuk (our Company Secretary), to act as our principal channel of communication with the Stock Exchange. Ms. Cheng is ordinarily resident in Hong Kong. Each of the authorized representatives shall be available to meet with the Stock Exchange within a reasonable time frame upon the request of the Stock Exchange, and will also be accessible by telephone, facsimile and electronic means. Our Company will inform the Stock Exchange promptly in respect of any change in our authorized representatives;
- (b) each of the authorized representatives has means to contact all Directors promptly at all times as and when the Stock Exchange wishes to contact them for any matters. Each of them is authorized to communicate on behalf of our Company with the Stock Exchange;
- (c) those Directors who are not ordinarily resident in Hong Kong have confirmed that they possess or are entitled to apply for valid travel documents to visit Hong Kong and will be able to meet with the relevant officers of the Stock Exchange within a reasonable period of time when required;
- (d) each Director has provided his or her mobile and office contact phone numbers, fax number and email address to the Stock Exchange if those contact details are available;

WAIVERS FROM STRICT COMPLIANCE WITH THE LISTING RULES

- (e) each Directors has confirmed that, in the event that he or she expects to travel or be out of office, he or she will provide the phone number of the place of his or her accommodation or other means of communications to our authorized representatives;
- (f) pursuant to Rule 3A.19 of the Listing Rules, we have appointed Somerley Capital Limited to act as our compliance adviser for the period commencing on the Listing Date and ending on the date on which we comply with Rule 13.46 of the Listing Rules in respect of our financial results for the first full financial year after the Listing Date. The compliance adviser will act as an additional channel of communication with the Stock Exchange; and
- (g) our Company is incorporated in Hong Kong and has its registered office situated at Room 3302-3303, Office Tower, Convention Plaza, No.1 Harbour Road, Wanchai, Hong Kong.

WAIVER FROM STRICT COMPLIANCE WITH CHAPTER 14A OF THE LISTING RULES

Our Group has entered into certain transactions which would constitute non-exempt continuing connected transactions under Chapter 14A the Listing Rules after the Listing. Further particulars about such transactions together with the application for a waiver from strict compliance with the relevant requirements under Chapter 14A of the Listing Rules are set out in “Connected Transactions” in this prospectus.

INFORMATION ABOUT THIS PROSPECTUS AND THE GLOBAL OFFERING

DIRECTORS' RESPONSIBILITY STATEMENT

This prospectus, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the COWUMPO, the Securities and Futures (Stock Market Listing) Rules (Chapter 571V of the Laws of Hong Kong) and the Listing Rules for the purpose of giving information with regard to us. The Directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief, the information contained in this prospectus is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this prospectus misleading.

THE HONG KONG PUBLIC OFFERING AND THIS PROSPECTUS

This prospectus is published solely in connection with the Hong Kong Public Offering, which forms part of the Global Offering. For applicants under the Hong Kong Public Offering, this prospectus and the Application Forms set forth the terms and conditions of the Hong Kong Public Offering.

The Hong Kong Offer Shares are offered solely on the basis of the information contained and representations made in this prospectus and the Application Forms and on the terms and subject to the conditions set out herein and therein. No person is authorized to give any information in connection with the Global Offering or to make any representation not contained in this prospectus, and any information or representation not contained herein must not be relied upon as having been authorized by our Company, the Joint Sponsors, the Joint Global Coordinators, the Joint Bookrunners, the Joint Lead Managers, the Underwriters, any of their respective directors, agents, employees or advisors or any other party involved in the Global Offering.

The Listing is sponsored by the Joint Sponsors and the Global Offering is managed by the Joint Global Coordinators. The Hong Kong Public Offering is fully underwritten by the Hong Kong Underwriters subject to the terms and conditions of the Hong Kong Underwriting Agreement, with one of the conditions being that the Offer Price is agreed between our Company and the Joint Global Coordinators (for themselves and on behalf of the Hong Kong Underwriters). The International Placing is expected to be fully underwritten by the International Underwriters subject to the terms and conditions of the International Underwriting Agreement, which is expected to be entered into on or about the Price Determination Date. Further information about the Underwriters and the underwriting arrangements is set forth in "Underwriting" in this prospectus.

Neither the delivery of this prospectus nor any offering, sale or delivery made in connection with the Shares should, under any circumstances, constitute a representation that there has been no change or development reasonably likely to involve a change in our affairs since the date of this prospectus or imply that the information contained in this prospectus is correct as of any date subsequent to the date of this prospectus.

INFORMATION ABOUT THIS PROSPECTUS AND THE GLOBAL OFFERING

PROCEDURE FOR APPLICATION FOR HONG KONG OFFER SHARES

The procedures for applying for the Hong Kong Offer Shares are set forth in “How to Apply for the Hong Kong Offer Shares” in this prospectus and in the Application Forms.

STRUCTURE AND CONDITIONS OF THE GLOBAL OFFERING

Particulars of the structure of the Global Offering, including its conditions, are set forth in “Structure of the Global Offering” in this prospectus.

RESTRICTIONS ON OFFERS AND SALES OF SHARES

Each person acquiring the Hong Kong Offer Shares under the Hong Kong Public Offering will be required to, or be deemed by his acquisition of Offer Shares to, confirm that he is aware of the restrictions on offers of the Offer Shares described in this prospectus.

No action has been taken to permit a public offering of the Offer Shares or the general distribution of this prospectus and/or the Application Forms in any jurisdiction other than in Hong Kong. Accordingly, this prospectus may not be used for the purposes of, and does not constitute, an offer or invitation in any jurisdiction or in any circumstances in which such an offer or invitation is not authorized or to any person to whom it is unlawful to make such an offer or invitation. The distribution of this prospectus and the offering of the Offer Shares in other jurisdictions are subject to restrictions and may not be made except as permitted under the applicable securities laws of such jurisdictions and pursuant to registration with or authorization by the relevant securities regulatory authorities or an exemption therefrom.

APPLICATION FOR LISTING OF THE SHARES ON THE STOCK EXCHANGE

We have applied to the Listing Committee for the listing of, and permission to deal in, the Shares in issue and to be issued pursuant to the Global Offering (including any Shares which may be issued pursuant to the exercise of the Over-Allotment Option).

Save as disclosed in this prospectus, no part of our equity or debt securities is listed on or dealt in on any other stock exchange and no such listing or permission to list is being sought.

COMMENCEMENT OF DEALINGS IN THE SHARES

Dealings in the Shares on the Stock Exchange are expected to commence on Wednesday, July 8, 2015. The Shares will be traded in board lots of 500 Shares each. The stock code of the Shares will be 2666.

INFORMATION ABOUT THIS PROSPECTUS AND THE GLOBAL OFFERING

SHARES WILL BE ELIGIBLE FOR ADMISSION INTO CCASS

If the Stock Exchange grants the listing of, and permission to deal in, the Shares and we comply with the stock admission requirements of HKSCC, the Shares will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the Listing Date or any other date as determined by HKSCC. Settlement of transactions between participants of the Stock Exchange is required to take place in CCASS on the second Business Day after any trading day.

All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time.

Investors should seek the advice of their stockbroker or other professional advisor for details of the settlement arrangement as such arrangements may affect their rights and interests. All necessary arrangements have been made to enable the Shares to be admitted into CCASS.

OVER-ALLOTMENT OPTION AND STABILIZATION

For details of the arrangements relating to the Over-Allotment Option and stabilization, see “Structure of the Global Offering—Over-Allotment Option” and “Structure of the Global Offering—Stabilization” in this prospectus.

PROFESSIONAL TAX ADVICE RECOMMENDED

You should consult your professional advisors if you are in any doubt as to the taxation implications of subscribing for, purchasing, holding or disposing of, or dealing in, the Shares or exercising any rights attaching to the Shares. We emphasize that none of our Company, the Joint Sponsors, the Joint Global Coordinators, the Joint Bookrunners, the Joint Lead Managers, the Underwriters, any of our or their respective directors, officers or representatives or any other person involved in the Global Offering accepts responsibility for any tax effects or liabilities resulting from your subscription, purchase, holding or disposing of, or dealing in, the Shares or your exercise of any rights attaching to the Shares.

REGISTER OF MEMBERS AND STAMP DUTY

All Shares issued pursuant to applications made in the Global Offering will be registered on our Company’s register of members to be maintained by Computershare Hong Kong Investor Services Limited, the Share Registrar. Dealings in our Shares registered on our Company’s register of members in Hong Kong will be subject to Hong Kong stamp duty. The stamp duty is charged to each of the seller and purchaser at the ad valorem rate of 0.1% of the consideration for, or (if greater) the value of, the Shares transferred. In other words, a total of 0.2% is currently payable on a typical sale and purchase transaction of the Shares. In addition, a fixed duty of HK\$5 is charged on each instrument of transfer (if required).

INFORMATION ABOUT THIS PROSPECTUS AND THE GLOBAL OFFERING

EXCHANGE RATE CONVERSION

Unless otherwise specified, amounts denominated in RMB, Hong Kong dollars and U.S. dollars have been translated into other currencies in this prospectus, for the purpose of illustration only, at the following exchange rates:

RMB1.00 : HK\$1.2675 (set by the PBOC for foreign exchange transactions prevailing on June 15, 2015, the first Business Day immediately after the Latest Practicable Date); and

US\$1.00 : HK\$7.7530 (the exchange rate set forth in the H.10 weekly statistical release of the Board of Governors of the Federal Reserve System of the United States on June 12, 2015).

US\$1.00 : RMB6.2081 (the noon buying rate for U.S. dollars set forth in the H.10 weekly statistical release of the Board of Governors of the Federal Reserve System of the United States on June 12, 2015).

No representation is made that any amounts in RMB, Hong Kong dollars and U.S. dollars were or could have been or could be converted into each other at such rates or any other exchange rates on such date or any other date.

ROUNDING

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

LANGUAGE

If there is any inconsistency between this English prospectus and the Chinese translation of this English prospectus, this English prospectus shall prevail. If there is any inconsistency between the names of any of the entities mentioned in this English prospectus which are not in the English language and their English translations, the names in their respective original languages shall prevail.

OTHERS

Unless otherwise specified, all references to any shareholdings in our Company following the completion of the Global Offering assume that the Over-Allotment Option is not exercised.

DIRECTORS AND PARTIES INVOLVED IN THE GLOBAL OFFERING

DIRECTORS

Name	Residential address	Nationality
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Chairman and non-executive Director

Mr. Zhang Yichen (張懿宸先生)	1/F, 64 Black's Link Repulse Bay Hong Kong	Chinese
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Vice Chairman and non-executive Director

Mr. Jiang Xin (姜鑫先生)	No. 362, Gate 3, 37/F. North Lane, Chegongzhuang Avenue Xicheng District Beijing China	Chinese
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Executive Directors

Mr. Guo Weiping (郭衛平先生)	No. 302, Gate 1, Block 5 No. 5 Sanlihe Road Haidian District Beijing China	Chinese
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Ms. Peng Jiahong (彭佳虹女士)	No. 410, Gate 3, Block 1 No. 10 Chedaogou East Haidian District Beijing China	Chinese
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Other non-executive Directors

Mr. Su Guang (蘇光先生)	Flat A, 66/F., Block 5 Sorrento No. 1 Austin Road West Kowloon Hong Kong	Chinese
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Mr. Chen Weisong (陳偉松先生)	Flat B, 37/F. Belcher's Hill 9 Rock Hill Street Kennedy Town Hong Kong	Chinese
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DIRECTORS AND PARTIES INVOLVED IN THE GLOBAL OFFERING

Name	Residential address	Nationality
Mr. Liu Xiaoping (劉小平先生)	Flat RA, 16/F. Tower 1, R Wing (Mona Lisa) Le Prestige, Lohas Park Tseung Kwan O Kowloon Hong Kong	Chinese
Mr. Liu Zhiyong (劉志勇先生)	Room 4B Tsui Kung Mansion Taikoo Shing Quarry Bay Hong Kong	Chinese

Independent non-executive Directors

Mr. Lim Yean Leng (林延齡先生)	F 35 546 Toorak Road Toorak Victoria 3142 Australia	Australian
Mr. Li Yinquan (李引泉先生)	Room F, 30/F., Block 13A South Horizons Ap Lei Chau Hong Kong	Chinese
Mr. Chow Siu Lui (鄒小磊先生)	Room B, 20/F. Serene Court 8 Kotewall Road Hong Kong	Chinese
Mr. Kong Wei (孔偉先生)	Room 501 No. 2, 999 Lane, Dongxiu Road Pudong District Shanghai China	Chinese

Further information of the Directors is disclosed in the section headed “Directors, Senior Management and Employees” in this prospectus.

DIRECTORS AND PARTIES INVOLVED IN THE GLOBAL OFFERING

PARTIES INVOLVED IN THE GLOBAL OFFERING

**Joint Sponsors and
Joint Global Coordinators
(in alphabetical order)**

Goldman Sachs (Asia) L.L.C.
68/F., Cheung Kong Center
2 Queen's Road Central
Hong Kong

Nomura International (Hong Kong) Limited
30/F, Two International Finance Centre
8 Finance Street
Central
Hong Kong

**Joint Bookrunners and
Joint Lead Managers**

Goldman Sachs (Asia) L.L.C.
68/F., Cheung Kong Center
2 Queen's Road Central
Hong Kong

Nomura International (Hong Kong) Limited
30/F, Two International Finance Centre
8 Finance Street
Central
Hong Kong

ICBC International Capital Limited
(in the capacity as a Joint Bookrunner in relation to
the Global Offering)
37/F, ICBC Tower
3 Garden Road
Hong Kong

ICBC International Securities Limited
(in the capacity as a Joint Lead Manager in relation
to the Global Offering)
37/F, ICBC Tower
3 Garden Road
Hong Kong

CCB International Capital Limited
12/F, CCB Tower
3 Connaught Road Central
Central
Hong Kong

CLSA Limited
18/F One Pacific Place
88 Queensway
Hong Kong

DIRECTORS AND PARTIES INVOLVED IN THE GLOBAL OFFERING

VMS Securities Limited

Suites 4112 — 4119
41/F, Jardine House
1 Connaught Place
Central
Hong Kong

China Merchants Securities (HK) Co., Limited

48/F One Exchange Square
Central
Hong Kong

Legal advisors to our Company

As to Hong Kong law:

Chiu & Partners

40/F., Jardine House
1 Connaught Place
Hong Kong

As to Hong Kong and U.S. law:

Wilson Sonsini Goodrich & Rosati

15/F., Jardine House
1 Connaught Place
Hong Kong

As to PRC law:

Jun He Law Offices

20/F., China Resources Building
8 Jianguomenbei Avenue
Beijing
China

**Legal advisors to the Joint
Sponsors, Joint Global
Coordinators, Joint Bookrunners,
Joint Lead Managers and the
Underwriters**

As to Hong Kong and U.S. law:

Sullivan & Cromwell

28th Floor
Nine Queen's Road Central
Hong Kong

As to PRC law:

Jingtian & Gongcheng

34/F., Tower 3, China Central Place
77 Jianguo Road, Chaoyang District
Beijing 100025
China

DIRECTORS AND PARTIES INVOLVED IN THE GLOBAL OFFERING

Reporting accountants

Ernst & Young
Certified Public Accountants
22/F., CITIC Tower
1 Tim Mei Avenue
Central
Hong Kong

Receiving bankers

Bank of China (Hong Kong) Limited
1 Garden Road
Hong Kong

Wing Lung Bank Limited
45 Des Voeux Road Central
Central
Hong Kong

**Bank of Communications Co., Ltd.
Hong Kong Branch**
20 Pedder Street
Central
Hong Kong

Compliance adviser

Somerley Capital Limited
20/F., China Building
29 Queen's Road Central
Hong Kong

CORPORATE INFORMATION

Registered office	Room 3302-3303 Office Tower, Convention Plaza No. 1 Harbour Road, Wanchai Hong Kong
Head office and principal place of business in China	9/F, Zhongyi Tower No. 6 Xizhimenwai Avenue Xicheng District Beijing China
Company's website	<u>www.universalsms.com</u> <i>(information contained in this website does not form part of this prospectus)</i>
Company secretary	Ms. Cheng Pik Yuk (鄭碧玉女士) <i>Fellow of both HKICS and ICSA</i> Level 54, Hopewell Centre 183 Queen's Road East Hong Kong
Authorized representatives	Ms. Peng Jiahong (彭佳虹女士) No. 410, Gate 3, Block 1 No. 10 Chedaogou East Haidian District Beijing China Ms. Cheng Pik Yuk (鄭碧玉女士) Level 54, Hopewell Centre 183 Queen's Road East Hong Kong
Audit committee	Mr. Li Yinquan (李引泉先生) (Chairman) Mr. Liu Xiaoping (劉小平先生) Mr. Chow Siu Lui (鄒小磊先生)
Remuneration committee	Mr. Chow Siu Lui (鄒小磊先生) (Chairman) Mr. Lim Yean Leng (林延齡先生) Mr. Chen Weisong (陳偉松先生)
Nomination committee	Mr. Zhang Yichen (張懿宸先生) (Chairman) Mr. Chow Siu Lui (鄒小磊先生) Mr. Kong Wei (孔偉先生)
Strategy committee	Mr. Jiang Xin (姜鑫先生) (Chairman) Mr. Zhang Yichen (張懿宸先生) Mr. Guo Weiping (郭衛平先生)

CORPORATE INFORMATION

Risk control committee	Mr. Su Guang (蘇光先生) (Chairman) Ms. Peng Jiahong (彭佳虹女士) Mr. Liu Zhiyong (劉志勇先生)
Share Registrar	Computershare Hong Kong Investor Services Limited Shops 1712-1716, 17th Floor Hopewell Centre 183 Queen's Road East Wan Chai Hong Kong
Principal bankers	Bank of Communications Beijing Fuwai Sub-branch Block B, Building No. 5 No. 9 Che Gong Zhuang Street Xicheng District, Beijing The PRC Bank of Beijing Operation Department 2/F., Block D No. 17C Jinrong Street Xicheng District, Beijing The PRC

INDUSTRY OVERVIEW

The information presented in this section is, including certain facts, statistics and data, derived from various official government publications and other publications and from the market research report prepared by Frost & Sullivan, which was commissioned by us, unless otherwise indicated. We believe that these sources are appropriate for such information and we have taken reasonable care in extracting and reproducing such information. We have no reason to believe that such information is false or misleading in any material respect or that any fact has been omitted that would render such information false or misleading in any material respect. Our Directors confirm that, after taking reasonable care, there is no adverse change in the market information that would qualify, contradict or have a material impact on such information since the date of the Frost & Sullivan Report. The information has not been independently verified by our Company, the Joint Sponsors, the Joint Global Coordinators, the Joint Bookrunners, the Joint Lead Managers, the Underwriters, any of our or their respective directors, officers or representatives or any other person involved in the Global Offering and no representation is given as to its accuracy. The information and statistics may not be consistent with other information and statistics compiled within or outside of China.

SOURCE OF INFORMATION

In connection with the Global Offering, we have commissioned Frost & Sullivan, an independent third party, to conduct an analysis of, and to report on China's healthcare industry. The report we commissioned, or the Frost & Sullivan Report, has been prepared by Frost & Sullivan independent of our influence. The fee payable to Frost & Sullivan for preparing the Frost & Sullivan Report is RMB890,000, which we consider reflects market rates for similar services. Founded in 1961, Frost & Sullivan has 40 global offices with more than 2,000 industry consultants, market research analysts, technology analysts and economists. It offers industry research and market strategies and provides growth consulting and corporate training. Frost & Sullivan has been covering the Chinese market from its offices in China since the 1990's.

The Frost & Sullivan Report that we commissioned includes information on China's healthcare industry and certain sub-segments thereof as well as other market and economic data, which have been quoted in this prospectus. Frost & Sullivan's independent research was undertaken through (1) researching different markets in different development stages; (2) referencing publications and reports; (3) focusing on challenges, problems, and the needs of industry participants; (4) relying on primary market research; (5) focusing on detailed, comprehensive, "bottom-up" data collection techniques; and (6) utilizing systematic measurements. Projected data was obtained from historical data analysis plotted against macroeconomic data as well as specific industry-related drivers. Frost & Sullivan adopted the following assumptions: (1) China's economy is likely to maintain steady growth in the next decade; (2) China's social, economic and political environment is likely to remain stable in the forecast period, which ensures the stable and healthy development of the healthcare and financial leasing industries; and (3) there will be no wars or large scale disasters during the forecast period.

INDUSTRY OVERVIEW

Except as otherwise noted, all of the data and forecasts contained in this section are derived from the Frost & Sullivan Report.

OVERVIEW OF THE HEALTHCARE SERVICES INDUSTRY IN CHINA

Healthcare services can be broadly defined as products and services provided to and by healthcare institutions, such as those that improve the delivery, quality and cost-effectiveness of healthcare and which are utilized for general diagnosis, treatment and prevention of human disease, illness, injury or dysfunction. China is one of the largest healthcare services markets in the world and has grown steadily in recent years. Between 2009 and 2013, China's total healthcare expenditure grew to RMB3,166.9 billion at a CAGR of 15.9%, total healthcare services expenditure grew to RMB1,491.2 billion at a CAGR of 19.8%, and healthcare services expenditure (excluding healthcare institutions' procurement of drugs and consumables) grew to RMB205.9 billion at a CAGR of 18.7%, all of which were the fastest growing among the 10 countries with the largest GDP in the world in 2013. However, China's healthcare industry is still underdeveloped compared to that of developed countries, having a per capita total healthcare expenditure of only US\$375 in 2013, ranking second to last among the 10 countries with the largest GDP in the world. China's per capita healthcare services expenditure including and excluding healthcare institutions' procurement of drugs and consumables was RMB1,096 and RMB151 in 2013, respectively. Driven by general changes in disease type, increased government spending in universal insurance and healthcare institutions, increased disposable income and improved health awareness and the application and popularization of new medical technology, China's healthcare expenditure and healthcare services expenditure including and excluding hospitals' procurement of drugs and consumables are expected to grow at a CAGR of 14.0%, 16.2% and 17.3% between 2014 and 2018, respectively.

There is a significant gap in the allocation of medical resources and clinical capabilities between China's regional and county level hospitals and national and provincial hospitals. To ensure the efficient allocation of medical resources, the Chinese government has decided to adopt the tiered medical care system (分級診療), with a goal of treating 90% of patients at their local county level hospitals. To achieve this objective, the Chinese government encourages these hospitals to improve their clinical expertise and upgrade their medical equipment. Accordingly, revenue of regional and county level hospitals grew at a CAGR of 19.9% from 2009 to 2013, surpassing the overall growth rate of China's healthcare institutions of 18.2% in the same period, and is expected to continue to grow rapidly in the next three to five years at a CAGR of 18.5%.

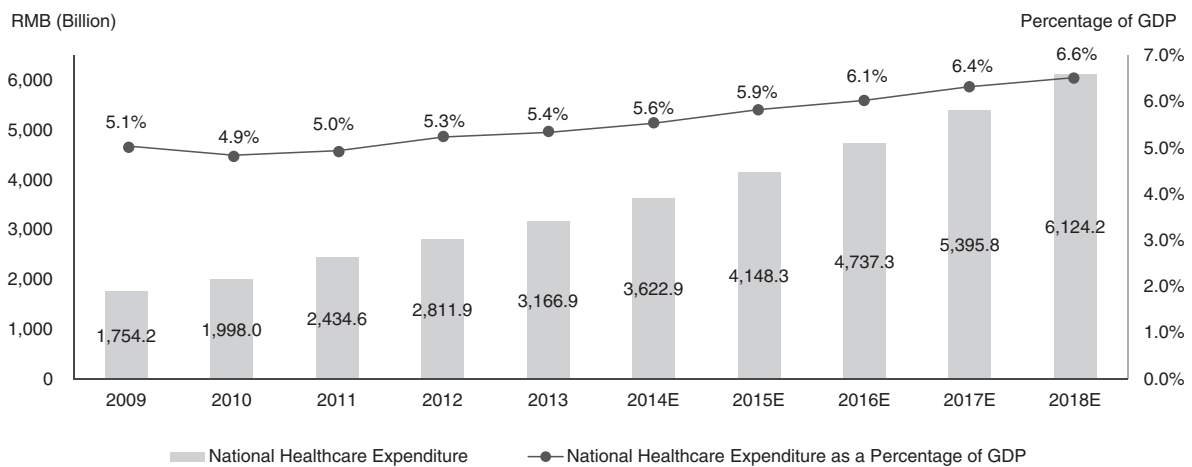
From 2009 to 2012, 2,200 regional and county level hospitals were constructed, remodeled or upgraded in China. Despite the growing number of regional and county level hospitals, many hospitals lack the resources and industry know-how necessary to build up and improve their clinical capabilities. Therefore, these hospitals are in need of integrated services that improve their medical treatment capabilities, including clinical department upgrades; satisfy their financing needs; fulfill their equipment upgrade requirements and enhance their management capabilities.

INDUSTRY OVERVIEW

Healthcare Expenditure in China

Fast Growing Healthcare Expenditure

China's total healthcare expenditure grew to RMB3,166.9 billion, or approximately 5.4% of GDP, in 2013 from RMB1,754.2 billion or approximately 5.1% of GDP, in 2009, representing a CAGR of 15.9%, according to Frost & Sullivan who projects that China's total healthcare expenditure will reach RMB6,124.2 billion, or approximately 6.6% of GDP, in 2018, representing a CAGR of 14.0% from 2014 to 2018. The following chart sets forth China's total historical and projected healthcare expenditure for the periods indicated:

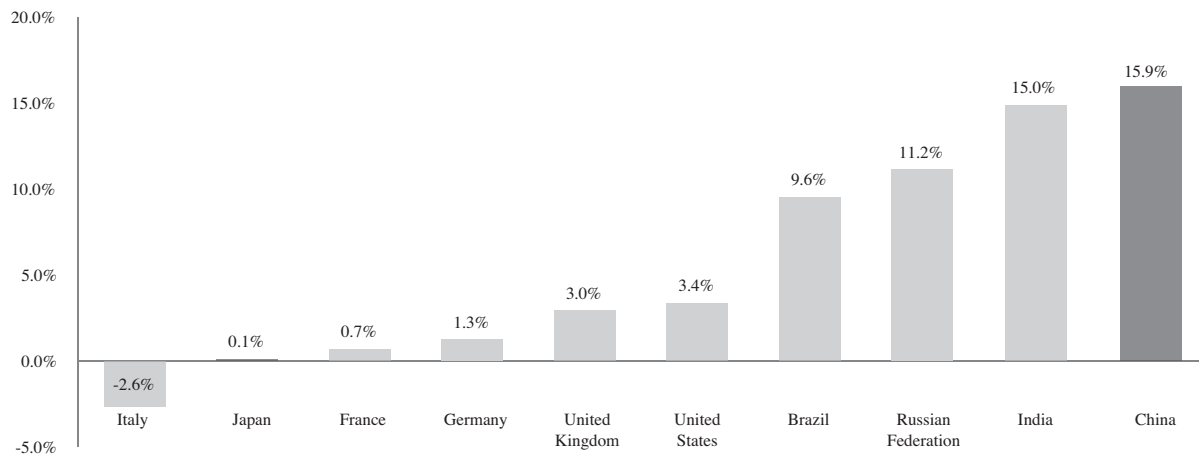


Source: Frost & Sullivan Report

China's total healthcare services expenditure grew to RMB1,491.2 billion in 2013 from RMB723.7 billion in 2009, representing a CAGR of 19.8% while China's healthcare services expenditure (excluding healthcare institutions' procurement of drugs and consumables) grew to RMB205.9 billion in 2013 from RMB103.8 billion in 2009, representing a CAGR of 18.7%, according to Frost & Sullivan. Frost & Sullivan further projects that China's total healthcare services expenditure and China's healthcare services expenditure (excluding healthcare institutions' procurement of drugs and consumables) will reach RMB3,190.8 billion and RMB461.1 billion in 2018, respectively, representing a CAGR of 16.2% and 17.3% from 2014 to 2018, respectively.

INDUSTRY OVERVIEW

The growth rate of each of China's total healthcare expenditure, total healthcare services expenditure and healthcare services expenditure (excluding healthcare institutions' procurement of drugs and consumables) from 2009 to 2013 was the highest among the 10 countries with the largest GDP in the world. The following chart sets forth the CAGR of total healthcare expenditure of the 10 countries with the largest GDP in the world between 2009 and 2013:



Source: Frost & Sullivan Report

Underdeveloped Healthcare System and Growth Potential

Despite China's rapid growth in recent years relative to the 10 countries with the largest GDP in the world, its healthcare industry is still underdeveloped compared to that of developed countries. In 2013, China had a per capita healthcare expenditure of only US\$375, and its total healthcare expenditure represented only 5.4% of its GDP, both figures being second to last among the 10 countries with the largest GDP in the world. In contrast, in the same year, per capita healthcare expenditure in the United States was US\$9,255, almost 25 times that of China, and the total healthcare expenditure of the United States represented 17.4% of its GDP.

Drivers of China's Healthcare Services Market

According to Frost & Sullivan, China's healthcare services market is expected to continue to grow rapidly in the future. Future growth of the healthcare services market in China is expected to be primarily driven by (1) continuing changes in disease types, (2) increased government spending on universal insurance coverage and healthcare institutions, (3) the population's increasing disposal income and improving health awareness and (4) the application and popularization of new medical technologies.

INDUSTRY OVERVIEW

Changes in disease type. An aging population and lifestyle changes in China are resulting in rapid increases in the incidences of chronic diseases that require lifelong maintenance and long term treatment. Treatment of chronic diseases requires great clinical expertise supported by advanced medical equipment.

Increasing government spending on universal insurance coverage and healthcare institutions. In the latest The 12th Five-Year Plan for Healthcare Sector, the Chinese government outlined that it will continue to improve universal insurance coverage and build or upgrade a large number of hospitals and healthcare institutions. Expenditure supporting UMIS and NRCMS grew rapidly from 2009 to 2013 at a CAGR of 14.2% and 34.5%, respectively. The expenditure of NRCMS has grown faster than that of UMIS. However, in 2013, NRCMS per capita expenditure of RMB363 is much lower than UMIS per capita expenditure of RMB1,187, indicating substantial growth potential for NRCMS per capita expenditure. The Chinese government has recently placed great focus on regional and county level hospitals by implementing a “bottom-up” approach for public hospital reform. See “—Fast-Growing Regional and County Level Hospitals in China—Growth Drivers of Regional and County Level Hospital Market”.

Increasing disposable income and improving health awareness. In light of China’s economic growth and further urbanization and internationalization, the disposable income of residents in China, especially at county level, has increased dramatically in recent years. As a result, more residents are developing an increased awareness of health management in pursuit of better life quality, thereby increasing the demand for healthcare services.

Application and popularization of new medical technologies. Development in new medical technology further improves the diagnosis and treatment of diseases. Medical technology can act as a catalyst leading to increasing investments in clinical capabilities and medical equipment, and rapid growth of the healthcare industry in general. For example, PCI volume in China, driven by the continuous technology development of coronary stent and improving procedure skills, grew from 0.23 million in 2009 to 0.45 million in 2013.

Fast-Growing Regional and County Level Hospitals in China

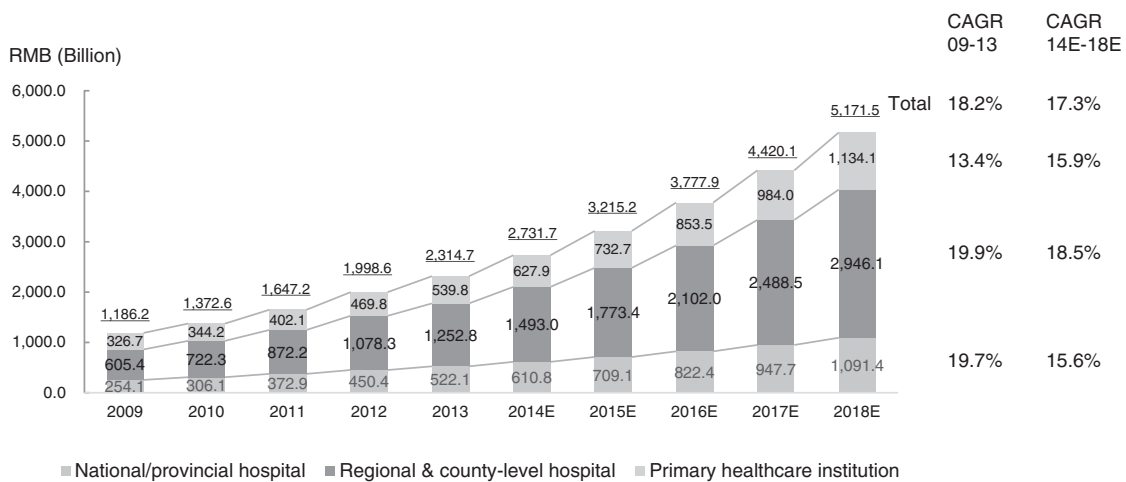
Healthcare Institution System in China

The hospitals and healthcare services industry in China is highly fragmented with numerous market participants. The largest providers of healthcare services in China are hospitals. Hospitals in China can generally be classified as national/provincial hospitals, regional and county level hospitals and primary and other healthcare institutions. Outside the major cities in China, regional and county level hospitals are set up as general hospitals that could provide residents in their respective regions with the most prevalent therapies and surgeries.

INDUSTRY OVERVIEW

Between 2009 and 2013, the revenue of regional and county level hospitals grew at a CAGR of 19.9%, driven by favorable government policies aimed at increasing their capacity and enhancing their clinical capabilities. They are the largest and fastest growing segment among all types of healthcare institutions.

However, there has been an uneven distribution of resources between the hospitals in China. Regional and county level hospitals in China lagged significantly behind national and provincial hospitals in terms of clinical capabilities due to relatively low revenues, insufficient budgets for medical equipment, and lack of well-trained medical professionals. The following chart sets forth a breakdown of actual and forecast revenue and CAGR by type of healthcare institutions in China for the periods indicated:



Source: Frost & Sullivan Report

Growth Drivers of Regional and County Level Hospital Market

Favorable government policies for county level hospitals

According to The 12th Five-Year Plan for Healthcare Sector published in 2012 by the State Council, the Chinese government aims to establish the tiered medical care system with a goal of treating 90% of patients at their local county level hospitals by improving their clinical expertise and upgrade their medical equipment.

Despite of the fast growth in recent years, there is still a large gap in clinical capabilities between regional and county level hospitals and national and provincial hospitals. County level hospitals account for 41.6% of total beds, 37.7% of physicians, 34.3% of outpatient visits and 46.8% of inpatient visits in China in 2013 although counties cover 65.7% of the population. In order to treat 90% of patients at their local county level hospital, significant investments are needed to enhance these hospitals' capacities and clinical capabilities. As a result, there

INDUSTRY OVERVIEW

is a strong demand by regional and county level hospitals to upgrade medical equipment and raise clinical capabilities. For example, according to statistics from the MOH, from 2013 to February 2015, 29 PET-CT deployment certificates were issued to national and provincial hospitals, compared to 19 for regional and county hospitals in the same period.

In addition, the Chinese government has been implementing favorable policies that encourage and assist county level hospitals to raise their clinical capabilities:

- *“Notice Designating Pilot Areas in Public County Level Hospital Reform”*: Published in June 2012, this notice designated 311 county-level cities in a pilot program for modernizing and upgrading the facilities of their respective public hospitals.
- *“Healthy China 2020 Strategy”*: Published in August 2012, the Chinese government announced its intention to make an investment of RMB109 billion to sustain the development of county level hospitals, in particular, medical equipment upgrades and replacements.
- *“Conference for Reform of County Level Hospitals”*: the Chinese government announced at a conference in April 2014 regarding its intention to expand the pilot counties under the June 2012 notice from 311 to more than 1,000 in 2014, covering a 50% of China’s counties.

Supported by favorable government policies aimed at improving the affordability and accessibility of healthcare services, revenue of regional and county level hospitals is expected to grow at an above average CAGR of 18.5% from 2014 to 2018.

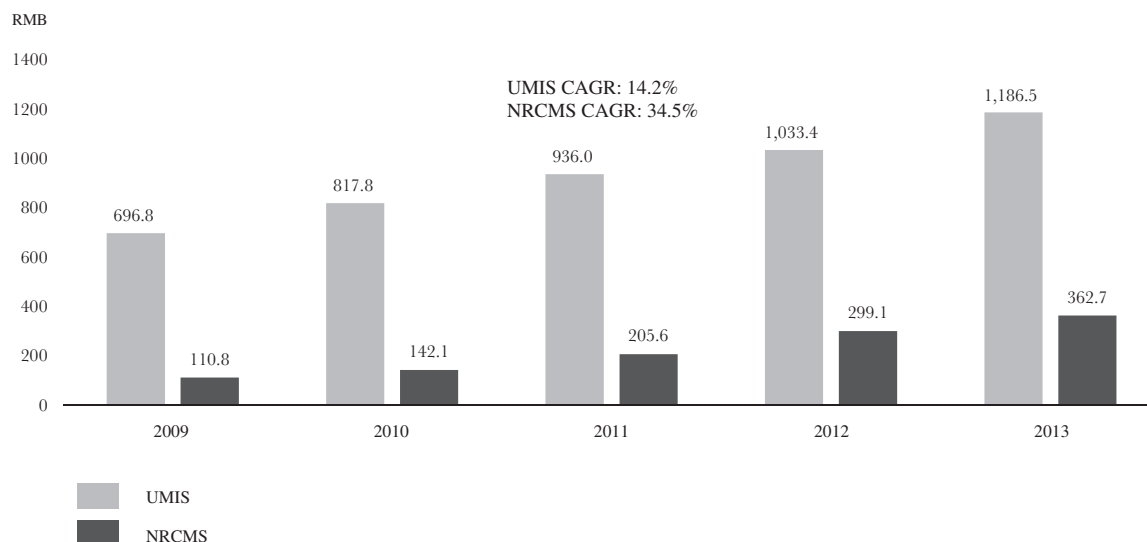
Improved affordability of medical treatments

China experienced an economic boom in the past decade leading to a significant increase in the disposable income of rural residents. As a result, rural residents are paying more attention to health management in pursuit of better quality of life, which leads to high demand for better healthcare services.

Since the introduction of NRCMS in 2003, its participation rate has reached 98.7%. Both total expenditure and per capita expenditure have been increasing rapidly with NRCMS’ per capita expenditure growth outpacing that of UMIS’ in recent years. The per capita expenditure of NRCMS increased from RMB111 in 2009 to RMB363 in 2013, representing a CAGR of 34.5%, while the per capita expenditure of UMIS increased at a CAGR of 14.2% in the same period. However, compared to per capita UMIS expenditure, per capita NRCMS expenditure is

INDUSTRY OVERVIEW

still much lower indicating significant growth potential in the future. The following chart sets forth a comparison of the amount and CAGR of per capita expenditure of NRCMS and UMIS from 2009 to 2013:



Source: Frost & Sullivan Report

INTEGRATED HEALTHCARE SOLUTIONS

Integrated healthcare services providers refer to service providers who focus on offering healthcare institutions integrated healthcare services, which primarily include: medical equipment financing, professional advisory services, global sourcing of high-tech medical equipment, medical equipment registration services, healthcare information technology services, and services for clinical department upgrades. In China, total revenue of integrated healthcare services providers reached approximately RMB4.8 billion in 2014. The following table set forth the five largest integrated service providers focused on the healthcare industry and their respective market share in 2014:

Rank	Name	Market Share (%)
1.	Universal Medical	20.9
2.	Hokai Medical Instruments Company Limited	20.3
3.	Concord Medical Services Holdings Limited	12.7
4.	Blue Ocean Strategy Medical Company Limited	10.6
5.	Haitong Unitrust International Leasing Co., Ltd	6.3

Source: Frost & Sullivan Report

Note: The criteria for determining whether a company is an integrated healthcare services provider are the following: (1) the company must provide integrated services as defined above and (2) revenue from healthcare segment accounts for more than 30.0% of the total revenue of the company in 2014.

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Despite the significant growth in recent years, clinical capabilities of regional and county level hospitals remain underdeveloped. Thus these hospitals hope to improve their clinical capabilities by addressing the following areas:

Medical equipment. Medical equipment is unevenly distributed among China's hospitals. There is a strong demand for medical equipment purchases and upgrades by regional and county level hospitals to improve efficiency and provide better services to patients.

Medical professionals. Without sufficient reputable and knowledgeable physicians, regional and county level hospitals lack the medical expertise necessary to further develop their clinical capabilities. These hospitals lag significantly behind the national and provincial hospitals with respect to the standard of diagnosis and treatment.

Equipment financing. Compared to national and provincial hospitals, regional and county level hospitals have limited procurement budgets. Equipment financing tailored to the funding and operational needs are necessary to help regional and county level hospitals upgrade and purchase medical equipment.

Information technology system. HIS and CIS have not been implemented in every hospitals in China, especially in regional, county and rural areas. Many hospitals still encounter problems of outdated information technology systems leading to operational inefficiency and medical errors. According to the China Hospital Information Status Survey (2012-2013), released by the Chinese Hospital Information Management Association, only approximately 61% of Grade III hospitals and 39% of hospitals below Grade III have established an EMR system.

Management and Operation. Many of China's hospitals, especially those not in major cities, lack professional management staff and established management systems, which results in low operational efficiency. Therefore, many hospitals are in urgent need to improve their efficiency and reduce cost.

These areas for improvement are interconnected and require a coordinated clinical department upgrade or overall hospital upgrade strategy. Regional and county level hospitals often lack the resources and industry know-how to implement such a strategy. Therefore, there is a strong, unmet need for integrated healthcare services. For example, specialized medical professionals and more advanced medical equipment are needed in parallel for the improvement of clinical capabilities.

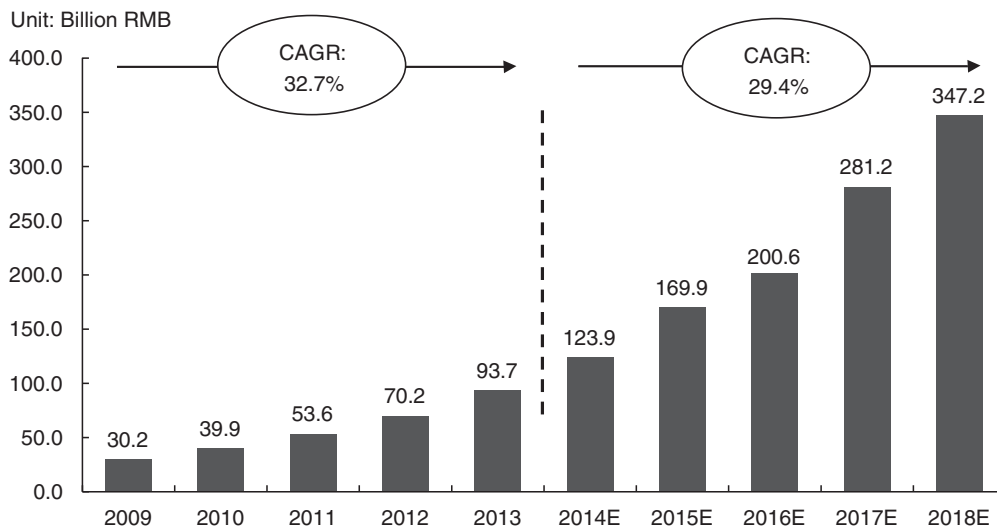
There are high barriers to entry as an integrated service provider as it would be required to resources and capabilities, including medical experts, to facilitate training and recruitment, equipment sourcing, equipment financing, advisory and planning capabilities.

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Medical Equipment Finance Lease

Medical equipment is a core aspect that determines a hospital's clinical capabilities. High quality and advanced medical equipment can be too expensive to hospitals at the regional and county level. Finance leases have become a popular solution for hospitals in particular regional and county level hospitals to finance the purchase of medical equipment following financial deregulation in 2006.

The aggregate balance of lease receivable of China's medical equipment leasing industry reached about RMB93.7 billion as of December 31, 2013, growing at a CAGR of 32.7% from 2009 to 2013. The following chart sets forth the historical and projected medical equipment lease receivables for the periods indicated:

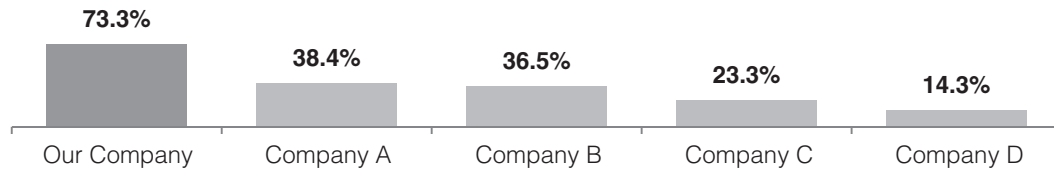


Source: Frost & Sullivan Report

Among different types of financial leasing companies, MOFCOM-approved leasing companies are the main players in the medical equipment financial leasing sector. International Far Eastern Leasing Co., Ltd. is the largest MOFCOM-approved financial leasing company in China in terms of lease receivables from healthcare segment in 2014. Universal Medical has the highest industry focus among China's top 10 largest MOFCOM-approved financial leasing companies, with 73.3% of its net lease receivables before provision

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attributable to customers in the healthcare industry. The following chart sets forth the net lease receivables before provision attributable to customers in the healthcare industry of China's top five MOFCOM-approved financial leasing companies in 2014:



Source: Frost & Sullivan Report

According to Frost & Sullivan, industry expertise is vital to successfully compete in the medical equipment leasing industry. Equipped with healthcare industry and financial leasing industry knowledge, an industry focused leasing company can offer customized and comprehensive solutions that are tailored to the needs of their clients, and gain a significant and unique advantages over their competitors that are not industry specialized.

Universal Medical's competitive advantage as a medical equipment leasing player is enhanced by its leading position, its integrated services, large and loyal customers, internal and external experts, and its global equipment sourcing capabilities.

Clinical Department Upgrade

Although regional and county level hospitals are aiming to improve their clinical capabilities, they generally do not have the expertise and resources to establish, or upgrade their existing clinical departments. Therefore, there is large and increasing demand for third party service providers to provide clinical department upgrade services to regional and county level hospitals.

For example, while carotid artery stenosis is a type of CVA disease which is more prevalent in county areas than major cities, 90% of treatment procedures take place in national and provincial level hospitals, evidencing regional and county level hospitals' inability to effectively treat carotid artery stenosis patients. Similarly, under the ophthalmology department, cataract is a commonly occurring disease for which treatment is largely carried out in national and provincial level hospitals due to the lack of adequate medical equipment in most regional and county level hospitals.

Therefore, there is an urgent demand for third party solutions providers to improve the clinical, equipment sourcing and financing capabilities of regional and county level hospitals in certain key clinical areas.

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Hospital digitalization services

Hospital digitalization services are services provided to hospitals to build or upgrade their healthcare information technology system. Hospitals generally use hospital information system (HIS) and the clinical information system (CIS) as information management tools. HIS is an integrated information system designed to manage all aspects of a hospital's operation, and CIS is designed for collecting, storing and analyzing clinical information important to the delivery of healthcare solutions.

Stimulated by government and hospital investment, the Chinese healthcare industry is undergoing rapid digitalization. China's total healthcare information technology expenditure grew to RMB19.1 billion in 2013 from RMB7.6 billion in 2009, representing a CAGR of 26.0%. Frost & Sullivan projects that total healthcare information technology expenditure in China is expected to grow to RMB46.9 billion in 2018, representing a CAGR of 19.4% from 2014 to 2018. Despite the rapid growth since 2009, China's healthcare information technology system is in its infancy. Although most hospitals in China have a working HIS, advanced CIS systems only exist in large national and provincial hospitals, indicating significant growth potential.

The healthcare information technology system market is highly fragmented with more than 500 software developers, many of which are small, local software developers. As healthcare information technology further develops in China, large and experienced healthcare solutions companies will enjoy a greater competitive advantage as they are more capable of developing an industry specific system and scaling up by selling to their existing customer base.

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Our operations are primarily in China. Therefore, our business operation is regulated and supervised by the PRC government. Specifically, the following PRC laws and regulations are material to our business:

- Relevant policies for reform of healthcare institutions and relevant laws and regulations for digitalization of healthcare institutions which will affect the business expansion and development trend of our Group;
- Relevant regulations for leasing transaction by foreign-invested enterprises which is closely related to our current business;
- Relevant laws and regulations relating to foreign investments in China which will affect our business development capability in China as a foreign-invested enterprise;
- Relevant laws and regulations for tax and foreign exchange which will affect our operating results and business; and
- Employment related laws which will affect our employment expenses.

Relevant Policies for Reform and Digitalization of Medical Institutions

In the Opinions of the CPC Central Committee and the State Council on Deepening the Reform of Medicine and Health System issued on March 17, 2009, the CPC Central Committee and the State Council proposed a series of measures to reform healthcare institutions in China and establish a primary medical care system covering urban and rural residents. Such measures aim to reform healthcare institutions including: (i) separating government bodies from public healthcare institutions; (ii) separating for-profit healthcare institutions from not-for-profit healthcare institutions; (iii) separating sponsors of public hospitals from their operations; and (iv) separating providers of medical treatment from sellers of medicine. The opinions for reform include establishing and improving the corporate governance system of public healthcare institutions and balancing the powers of the sponsors and the managers of public hospitals with respect to decision-making processes, execution of policies and decisions and supervision of public hospitals. In addition, establishment of practical and shared medical health institutions information system is encouraged to achieve the digitalization of medical health information. With a focus on the improvement of digitalization of public healthcare institutions, medical treatment, medical insurance, medicine and hospital financial supervision, greater cooperation within the public healthcare system and greater efficiencies will gradually realize by integrating resources, enhancing information standardization and establishing a public information platform service.

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The State Council proposed the following major tasks in medical and health system reform from 2012 to 2015 in the Notice of the State Council on Issuing of Deepening the Reform Planning and Implementation Scheme of Medicine and Health System during the Twelfth Five-year Plan. The major tasks are to: (i) improve service capability of primary medical and healthcare institutions and promote the digitalization of primary medical and healthcare institutions; (ii) accelerate the improvement of digitalization of primary medical and healthcare institutions to improve the level of primary medical health service; (iii) positively improve the reform of public hospitals to advance the comprehensive reform of the management system, procurement system, pricing system and others as a whole.

The MOH, Office of Central Institutional Organization Commission, National Development and Reform Commission, Ministry of Finance, and Department of Human Resource and Social Security jointly proposed that the Chinese government encourages management reform in public hospitals, including exploring effective ways to address: (i) separating public service units from government bodies, and separating the management of public healthcare institutions from the enforcement functions of government; (ii) defining the responsibilities of an owner and a manager of public hospitals; and (iii) establishing corporate governance structures in hospitals to advance the professionalization and specialization of hospital directors in the Notice on Issuing the Guiding Opinions of Pilot Reform of Public Hospitals. Moreover, the Chinese government should encourage, support, and guide the injection of social capital into developing medical services and acquiring equity interests in nonprofit hospitals.

In accordance with the Notice of Opinions on Comprehensive Pilot Reform of County-level Public Hospitals issued by the General Office of the State Council, local governments are required to comprehensively implement the governmental investment policies regarding public services, including but not limited to capital injection, procurement of large-scale equipment, development of key areas of medical discipline and to provide training to develop capabilities of medical professionals of county-level public hospitals.

According to the Opinions on the Promotion of the Development of Health Services Industry issued by the State Council on September 28, 2013, the public listing and bonds issuance by health services enterprises, including medical services providers, are encouraged.

The NDRC, Ministry of Finance, MOH together with other ministries promulgated the Notice regarding the Promotion of the Development of Health and Old-Age Services related Projects on September 12, 2014. Such Notice requires the central and local governments to strengthen the support to the medical and old-age services through investment, including investment subsidy and loan discounts. The financial institutions shall strengthen their support to health services industry through different measures including expansion of the applicable scope of mortgage loans, public offering, bond issuance and financial leasing.

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Chinese Laws and Regulations related to Digitalization of Electronic Medical Records (EMR)

The MOH issued the Fundamental Norms of Electronic Medical Records (Trial) on February 22, 2010 to specify the establishment, usage, storage, and management of EMR. Medical institutions should be subject to the following requirements with regard to EMR: (i) special management department and staff responsible for the establishment, operation and maintenance of EMR should be identified; (ii) information technology, equipment, and facilities for operation and maintenance of EMR system should be maintained to ensure the safe and stable operation of EMR systems; (iii) relevant system and regulations for EMR usage, including management regulations for staff operation, system maintenance and modification, emergency plan for system failure, should be established and improved. Healthcare institutions should establish information systems to keep EMR data confidential, give permission to healthcare professionals and management staff only to access, copy, and print EMR, and establish a log for EMR to record user, operating time, and content. Without authorization, no entity or person can access or copy EMR.

The MOH issued the Notice of Trial Development of Electronic Medical Record on September 28, 2010, and the General Office of MOH issued the Notice of Advancing Digitalization Trial in Hospital of Electronic Medical Record to emphasize the importance of establishing and improving hospital information system on EMR, explore and develop the connection between EMR and electronic health record of community residents, and advance the safe sharing of medical information.

The Ministry of Industry and Information regulates that registration and record system should be implemented for software products in the Administrative Measures of Software Products issued on March 5, 2009. No entity or person can develop, produce, sell, import or export software products which: (i) violate other's intellectual property, (ii) contain computer virus; (iii) harm computer system security; (iv) breach Chinese software standard specification; and (v) are prohibited by laws and regulations. The effective term for registration of software product is five years, and the effective term can be extended upon expiration.

The Ministry of Industry and Information provided in the Notice of Canceling Administrative Examination and Approval of Qualification of Computer Information System Integration Enterprise issued on March 25, 2014 that the ministry has ceased to examine and approve the enterprise and staff qualification of computer information system integration from February 15, 2014, and China Information Technology Industry Federation will be responsible for the implementation of relevant qualification approval.

Chinese Laws and Regulations relating to Registration Service and Operation of Medical Devices

According to the relevant regulations on medical devices, product filing is required for Type I medical devices, while product registration is required for Type II and Type III medical devices. Overseas manufacturers importing Type II and Type III medical devices into China

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should appoint representative agencies or entities in China as their agents to submit to the CFDA the registration application and obtain the certificate issued by the national (local) responsible departments approving the sale of the medical devices manufactured by such applicant in China.

CFDA issued the Medical Devices Registration Administration Measures on July 30, 2014 to specify the registration and record management process of medical devices. According to such measures, the applicant should submit reference data to CFDA when importing Type I medical devices. Importing Type II and Type III medical devices shall be subject to the issue of the registration certificate of medical devices after examination.

The State Council issued the revised Regulations on the Supervision and Administration of Medical Devices on March 7, 2014 to specify the development, production, operation and usage of medical devices. According to the regulations, enterprises engaged in the operation of Type II medical devices should make filing with the supervision and management authority of food and drug on the municipal level of the government. Enterprises engaged in Type III medical devices should apply to the competent supervision and management authority of food and drug on the municipal level of the government for business certificate of medical devices with an effective term of five years.

CFDA does not require any permit or filing for enterprises operating in Type I medical devices, while filing requirements are imposed on enterprises operating in Type II medical devices, and permit requirements are imposed on enterprises operating in Type III medical devices in the Regulations for the Supervision and Administration of Medical Devices issued on July 30, 2014.

CFDA issued the Approval on Relevant Issues of Leasing Medical Devices and the Approval on Supervision Issues of Financial Leasing of Medical Devices on April 15, 2004 and June 1, 2005, respectively. Since then, financial leasing companies who lease medical devices are deemed to fall within the scope of the operating medical devices, and such companies should apply for the permit of medical devices operating company according to regulations in relation to medical devices.

We have obtained the operation permit for Type II and Type III medical devices.

PRC Laws, Regulations and Notices related to Finance Lease Business

Civil contractual relationship among natural person, legal person, and other organizations is regulated by the PRC Contract Law. According to the PRC Contract Law, finance leases should be in writing. The lessor should enter into a sales contract with the vendor in respect of the leased property as selected by the lessee. The vendor should deliver the leased property to the lessee in accordance with the sales contract. The lessee has the rights as a purchaser relating to the delivered leased property. Title in the leased property shall be transferred to the lessor if the ownership of the leased property is not otherwise agreed in the sales contract, or if the ownership cannot be determined according to the PRC Contract Law.

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The MOFCOM issued the Measures for the Administration of Foreign Investment in the Leasing Industry on February 3, 2005 to regulate lease businesses invested by foreign investors and the operation of finance and lease businesses in China. According to such measures, foreign investors with total assets of no less than US\$5 million can apply to MOFCOM to set up finance lease companies in China. According to the measures, foreign-invested financial leasing companies may carry out financial leasing business by means of direct leasing, sub-leasing, sale-leaseback, leveraged leasing, entrusted leasing and joint leasing. Both medical equipment and scientific and research equipment are permitted as leasing assets. Finance lease companies invested by foreign investors should satisfy the following conditions: (i) registered capital should be no less than US\$10 million; (ii) finance lease companies invested by foreign investors in form of limited liability company should not operate for more than 30 years in general; and (iii) its professional staff should be so qualified, and senior managers should have the relevant professional qualification and experience of at least three years.

The measures also require that the risky assets of a foreign-invested financial leasing company, which are determined by the total amount of residual assets after deducting cash, bank deposits, PRC treasury securities and entrusted leased assets from the total assets of the enterprise, shall generally not exceed ten times the company's net assets as of the end of immediately preceding financial year. The measures further require that foreign-invested financial leasing companies shall submit a report on their business operations and an audited financial statements of the preceding year to the MOFCOM for filing purposes before March 31 of each year. In addition, if the leased asset to be imported by a foreign-invested financial leasing company based on the selection of the lessee is subject to special policy administrations such as quota or licensing, the lessee or the financial leasing company shall carry out application procedures in accordance with the relevant provisions.

Our Group engages in finance lease business in China through CU Leasing, a wholly-owned subsidiary of our Company. Our PRC Legal Advisor confirms that, the financial leasing business engaged by CU Leasing has been approved by MOFCOM according to the measures.

The MOFCOM provided in the Measures for Supervision and Administration of Finance Leasing Enterprises issued on September 18, 2013 that financial leasing companies shall not engage in banking businesses, such as deposit taking, provision of loan and loan entrustment. Without the approval of relevant authorities, finance lease companies shall not engage in inter-bank borrowing. Finance lease companies are strictly prohibited from conducting illegal fund-raising in the name of a finance lease.

The Ministry of Communications requires that lessors engaged in ship financial leasing business in China should obtain qualification of leasing management approved by relevant national competent authorities in the Notice of the General Office of the Ministry of Transport on Standardizing the Administration of Domestic Shipping Financial Lease issued on March

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28, 2008. The notice also specified that foreign investors shall not hold more than 50% interest in a company engaged in ship finance lease in China. In order to comply with notice, CU Leasing has ceased to enter into ship finance leases when it was converted into a wholly foreign-owned enterprise in March 2012.

According to the Urgent Notice on Controlling the Public Hospital Against Rapid Expansion issued by the MOH on June 5, 2014, public hospitals are not allowed to fund its development by using loans, and the local governments should implement the investment policies of capital injection and procurement of large-scale equipment for the public hospitals.

On March 26, 2014, the MOH, Ministry of Finance of PRC, Central Institutional Organization Commission Office, National Development and Reform Commission and Ministry of Human Resources and Social Security of PRC promulgated the Opinions on Promoting the Comprehensive Reform of County-level Public Hospitals. Such opinions require county-level public hospitals to strictly control its size and construction standard, and county-level public hospitals are not allowed to fund its development and the procurement of large-scale equipment by using loans. If any such hospital violates the foregoing, the relevant government officials in the local governments and the medical institutions shall be held liable.

In accordance with the Notice of Opinions on Comprehensive Pilot Reform of County-Level Public Hospitals issued by the General Office of the State Council, county-level public hospitals are not allowed to procure large-scale medical equipment by using loans or raising funds.

On March 14, 2012, the State Council issued the Notice of the State Council on Issuing of Deepening the Reform Planning and Implementation Scheme of Healthcare System during the Twelfth Five-year Plan, which requests that the number and layout of the public hospitals shall be determined in a reasonable manner and the development standard, scale and equipment procurement shall be strictly controlled. Public hospitals are not allowed to fund its development by using loans.

As advised by our PRC Legal Advisor, according to the Contract Law of the PRC, a contract is void to the extent that such contract is in violation of any mandatory provision of any “laws” or “administrative regulations”. Under relevant PRC laws, “laws” shall mean those which are enacted by the National People’s Congress or its Standing Committee, and “administrative regulations” shall mean those which are enacted by the State Council in accordance with Legislation Law of the PRC. In accordance with Legislative Law of the PRC, an administrative regulations can only be validly promulgated by the decree of the State Council executed by the Premier. As these notices do not fall within the scope of “laws” or “administrative regulations”, thus any contract entered into inconsistent with these notices is not considered void or unenforceable for violating with these notices. Accordingly the existing finance lease agreements between our Group and its customers are valid, legally binding and enforceable. In addition, these notices are addressed to local governments and public hospitals as opposed to the entities (such as our Group) that have business relationship with public hospitals. Hence, these notices are not applicable to our Group. Furthermore, these notices do not

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stipulate any specific penalties in the event of any action by public hospitals that is inconsistent with these notices and we are not aware of any precedent where any lessor under a financial leasing arrangement with any public hospital is penalized by any governmental authority under these notices.

As advised by our PRC Legal Advisor, there is no penalty stipulated in such notices for public hospitals “violating” these notices. However, public hospitals are required to make an application (which needs to include a description of the source of funds) to the competent health authorities (衛生局) to obtain a Large-Scale Medical Equipment Allocation Permit prior to purchasing large-scale medical equipment, as well as submitting their annual budget to the competent authorities for approval. Accordingly, the relevant competent authorities can potentially by means of refusing the issuance of the Large-Scale Medical Equipment Allocation Permits or disapproving the annual budget to restrict hospitals’ debt financing activities.

Relevant Policies about Hospital Management

According to the Opinions on the Promotion of the Development of Health Services Industry issued by the State Council on September 28, 2013, enterprises, charitable institutions, foundations and commercial insurance companies are encouraged to invest in the medical service industry via various different methods including establishment, participation in restructuring, trusteeship and state-owned-private-operated models.

The MOH issued the Implementation Scheme for Special treatment of Unwholesome Tendencies in Medical Service within the National Health System on April 28, 2004, according to which the internal financial balance of medical institutions should be unified and managed by the finance department, and revenue-sharing through department subcontracting shall be terminated. All departments are prohibited from setting up their own off-balance-sheet deposit.

In accordance with the Provisions on Strengthening the Financial Sector Management Functions of Medical Institutions, Standardizing the Accounting and Distribution Management, which was issued by the MOH on November 30, 2004, medical institutions shall terminate the department subcontracting, the billing kick-back as well as the tying of staff bonus to department revenue.

The MOH and the State Administration of Traditional Chinese Medicine of the PRC issued the Implementation Opinions on Carrying Out Special Work for Regulating Commercial Bribe during the Medicine Purchase and Sale on April 21, 2006 to regulate the income distribution system of the medical workers. Under such opinions, subcontracting hospital departments to third parties is prohibited.

According to the Implementation Opinions for the Health Institutions Implementing the Reform Scheme for Income Distribution System of the Staff in Public Institutions issued by the Ministry of Personnel, Ministry of Finance and the MOH on October 23, 2006, illegal activities including department subcontracting and billing kick-back should be banned. The performance-related staff remuneration shall be based on the quality, quantity, professional ethics and other factors, and shall not be linked with department revenue.

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PRC Laws and Regulations related to Foreign-Invested Enterprises

Foreign investors are governed by the following laws and regulations when investing in China: (i) Laws of the PRC on Foreign-Invested Enterprises (revised in 2000) implemented on April 12, 1986 and modified on October 31, 2000, and Rules for the Implementation of the Laws of the PRC on Foreign-Invested Enterprises implemented on December 12, 1990 and modified on April 12, 2001; (ii) Laws of the PRC on Sino-Foreign Equity Joint Ventures (revised in 2001) implemented on July 8, 1979 and modified on March 15, 2001 and Regulations for the Implementation of the Laws of the PRC on Sino-Foreign Equity Joint Ventures (revised on 2001); and (iii) Laws of the PRC on Sino-Foreign Contractual Joint Ventures (revised in 2000) implemented on April 13, 1988 and modified on October 31, 2000 and Detailed Rules for the Implementation of the Laws of the PRC on Sino-Foreign Contractual Joint Ventures implemented on September 4, 1995. According to the above regulations, wholly foreign-owned enterprises, Sino-foreign equity joint ventures, and Sino-foreign contractual joint ventures should be established according to the relevant legal procedures after examination and approval, and be registered with the relevant Industrial and Commercial Bureau after obtaining the approval certificate. All the companies in China invested by our Group have obtained the relevant approval certificate. In addition, foreign-invested enterprises are governed by the Company Law of the PRC.

Foreign investors and foreign-owned enterprises investing in China should comply with the Catalogue of Industries for Guiding Foreign Investment (updated by NDRC and MOFCOM on March 10, 2015 and effective on April 10, 2015) (the “**Catalogue**”). Chinese policy makers use the Catalogue to manage and guide foreign investments in China. The Catalogue can be divided into three categories: (i) industries encouraged for foreign investment, (ii) industries limited for foreign investment, and (iii) industries prohibited for foreign investment. The industries not specified in the Catalogue fall outside the ambit of these restrictions and foreign investments are allowed in such industries allowable for foreign investment. As of the Latest Practicable Date, our business falls outside the scope of the Catalogue and foreign investment specified.

PRC Laws and Regulations related to Foreign Exchange

The Renminbi is subject to foreign exchange control and is not freely convertible into foreign currencies. The SAFE is responsible for administering all matters relating to foreign exchange, including the enforcement of the Regulations of the PRC for the Control of Foreign Exchange (中華人民共和國外匯管理條例). The Regulations of the PRC for the Control of Foreign Exchange (中華人民共和國外匯管理條例) classify all international payments and transfers into current account items and capital account items. Foreign currency payments under current account items by domestic institutions, including payments for imports and exports of goods and services and payments of income and current transfers into and outside the PRC must be either paid with their own foreign currency with valid documentation or with the foreign currency purchased from financial institutions. Foreign currency income accounted for under current account items may be retained or sold to financial institutions. Foreign

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currency payments under capital account items include cross-border transfers of capital, direct investments, securities investments, derivative products and loans, and must be made out of a domestic institution's own foreign currency with valid documentation or be made with foreign currency purchased from any financial institution.

SAFE issued the Provisions on Foreign Exchange Administration for Overseas Direct Investment of Domestic Institutions ("Circular 30") on July 13, 2009. According to Circular 30, overseas direct investment refers to domestic institution establishing or obtaining ownership, control, or operation and management rights of overseas enterprises by ways of establishment (sole ownership, joint venture, and cooperation) with approval by competent authority of outbound direct investments. SAFE implements foreign exchange registration and record system for outbound direct investments and the relevant assets and equities generated from outbound investment by domestic institutions.

SAFE issued the Notice on Relevant Issues Concerning Foreign Exchange Administration for Domestic Residents to Engage in Overseas Investment and Financing and Round Trip Investment via Special Purpose Companies ("Circular 37"). According to Circular 37, round-trip investment refers to the direct investment in China directly or indirectly conducted by domestic residents through special purpose vehicles. Domestic residents should apply for foreign exchange registration for overseas investment with the relevant local foreign exchange administration before contributing any capital, rights or interests into the special purpose vehicle. Foreign-invested enterprises established by round-trip investment should register according to foreign exchange rules in relation to foreign direct investment, and accurately disclose the relevant information of the ultimate controller of its foreign shareholder. The foreign exchange administration will mark the foreign-invested enterprise established through such round-trip investment as "round-trip investment" in its capital project information system. Given that our Company is indirectly held and controlled by GT-PRC through its direct overseas investment, CU Leasing and CU Leasing (TJ) are both marked as "round-trip investment" in their respective foreign exchange registration.

On February 13, 2015, SAFE issued the Notice on Further Simplification and Improvement of Direct Investment Foreign Exchange Management which will be effective on June 1, 2015. After this notice becomes effective, foreign exchange registration approval for foreign direct investment in China and overseas direct investment by domestic enterprises will no longer be required. Moreover, banks which have obtained financial institution identification code from local foreign exchange administration and established capital item information system in local foreign exchange administration will handle the foreign exchange registration for the domestic foreign-invested enterprises and domestic enterprises conduct overseas investment through their local capital item information system.

PRC Laws and Regulations of Tax

According to the Law of Corporate Income Tax of People's Republic of China effective on January 1, 2008, domestic enterprises and foreign-invested enterprises should all be subject to the law and the corporate income tax at the rate of 25%. The methods and conditions for deduction before tax for domestic and foreign-invested enterprise have been unified and standardized.

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Based on the PRC Provisional Regulation on Value-Added Tax issued by the State Council on December 13, 1993 (revised on November 10, 2008 and effective on January 1, 2009) and the Implementation Rules for the Provisional Regulations on Value-added Tax of the PRC issued by the Ministry of Finance on December 25, 1993 (revised on December 15, 2008 and effective on January 1, 2009, and further revised on October 28, 2011 and effective on November 1, 2011), sale of goods or providing processing service, repairs and replacement services and importing into and exporting out of China should be subject to value added tax. The value added tax will be calculated based on the output tax minus the input tax. The value added tax rate is 17% or 13% under certain circumstances depending on the products.

According to the Provisional Regulations of the PRC on Business Tax issued and revised by the State Council on December 13, 1993 and November 10, 2008 respectively (effective on January 1, 2009) and the Implementation Rules for the Provisional Regulations of the PRC on Business Tax issued and revised by Ministry of Finance and State Administration of Taxation on December 25, 1993 respectively and further revised on October 28, 2011 (effective on November 11, 2011), income from providing services and transferring intangible assets or selling immovable property should be subject to the business tax at the tax rate between 3% and 20%.

The Ministry of Finance and the State Administration of Taxation jointly issued and implemented the Circular on the Inclusion of the Railway Transport Industry and Postal Service Industry in the Pilot Collection of Value-added Tax in Lieu of Business Tax, the trial on collecting added-value tax for transportation industry, mail business and partial modern service industry in lieu of business tax should be implemented on a nation-wide basis since January 1, 2014 (the "Business Tax Circular"). The business of leasing tangible personal property is within the scope of the Business Tax Circular and its applicable VAT rate is 17%. Based on the Business Tax Circular, the business of leasing tangible personal property includes financial leasing of tangible personal properties and operating lease of tangible personal properties.

The State Administration of Taxation issued the Announcement of State Administration of Taxation on Tax Issues related to Sales of Assets by Lessee in the Financial Sales-leaseback on September 8, 2010, which proposes certain preferential tax policies in favor of lessees in the financial sales-leaseback business. According to the notice, the lessee in the financial sales-leaseback transaction can enjoy the following preferential policies: (i) the lessee's sales of the leased assets in the financial sales-leaseback transaction is not subject to value added tax or business tax; and (ii) the proceeds from the lessee's sales of the leased assets in the financial sales-leaseback transaction shall not be considered as income, and the depreciation of the leased assets will be calculated based on the book value of such assets before the lessee's sales of such assets to the lessor. During the lease, the interests paid by the lessee to the lessor will be deductible before tax as the financial costs of the lessee.

REGULATION

On February 3, 2015, the State Administration of Taxation issued the State Administration of Taxation's Circular No. 7 on Several Issues Concerning Enterprise Income Tax on Income Arising from Indirect Transfers of Property by Non-resident Enterprises ("Circular 7") to further standardize and strengthen the management of non-resident enterprises' indirect transfer of assets. According to Circular 7, the indirect transfer of assets of non-resident enterprises and the evasion of PRC enterprise income tax by implementing arrangements without reasonable commercial purposes shall be regarded as a direct transfer of Chinese taxable assets. Circular 7 sets forth the relevant factors for determining reasonable commercial purposes and provided that indirect transfer of Chinese taxable assets shall be deemed not to have a reasonable commercial purpose if all of the following conditions are met: (i) more than 75% of the value of an offshore company's equity interests is derived from Chinese taxable assets; (ii) at any time during the year prior to the indirect transfer of Chinese taxable assets, 90% or more of the total assets (excluding cash) of the offshore company are direct or indirect investments in China, or 90% or more of the revenue of the offshore company was sourced from China; (iii) the functions performed and risks assumed by the offshore company are insufficient to substantiate their corporate existence; and (iv) the foreign income tax payable in respect of the indirect transfer is lower than the Chinese tax which would otherwise be payable if such transfer were treated as a direct transfer.

Circular 7 also specifies that the equity transferee is required to withhold tax on capital gains realized from an indirect transfer of real property situated in China or equity interest in Chinese resident enterprises. If the withholding agent fails to withhold or fully pay payable tax, the equity transferor shall, within seven days after the maturity date for the tax payment obligations, make tax filings with the competent tax authority and provide the materials related to the calculation of the equity transfer income and the tax amount. If the transferor fails to pay the taxes on capital gains realized from its indirect transfer, and the withholding agent fails to withhold and transmit to the competent tax authority the said taxes, the competent PRC tax authority may impose a penalty on the withholding agent for its failure to withhold the capital gains tax. However, such penalty may be reduced or waived if the withholding agent has reported to the tax authorities by submitting the required documents within 30 days after the execution of the equity transfer agreement. In addition, if the transferor fails to timely or fully file or pay taxes generated from the indirect transfer of Chinese taxable assets and the withholding agent fails to withhold such taxes, the transferor is subject to daily interests. If the transferor submits the relevant materials or makes the filings with the tax authority within 30 days after the equity transfer agreement is entered into, such interests shall be charged at the benchmark interest rate set forth in Article 122 of the Implementation Rules of the Enterprise Income Tax Law. If the transferor fails to submit the relevant materials or make the filings with the tax authority within the above time limit, such interests shall be charged at the benchmark interest rate plus 5%.

REGULATION

Chinese Labor Laws and Regulations

The PRC Labor Law (中華人民共和國勞動法) and the PRC Labor Contract Law (中華人民共和國勞動合同法) require an employer to sign a written contract with its employees when establishing an employment relationship. An employer may not force its employees to work overtime. Wages paid by employers may not be lower than the local minimum wage. Employers must establish and improve their work safety and sanitation system, educate employees on safety and sanitation and provide employees with a working environment that meets national work safety and sanitation standards. The PRC Social Insurance Law (中華人民共和國社會保險法) and other relevant PRC laws and regulations require an employer to register with the social insurance authorities and contribute to social insurance plans covering basic pensions, basic medical insurance, unemployment insurance, maternity insurance and work-related injury insurance for its employees. Social insurance contributions payable by employees must be withheld and paid by an employer on behalf of its employees. An employer who fails to pay social insurance premiums for its employees may be subject to fines and other penalties. The Regulations on the Administration of Housing Provident Fund (住房公積金管理條例) require enterprises to register with the local housing fund management center and make housing fund contributions for their employees through a special account at an entrusted bank. Both enterprises and employees are required to contribute a statutory percentage of an employee's average monthly salary for the preceding year to the housing funds.

HISTORY AND DEVELOPMENT

OVERVIEW

Our Company was incorporated in Hong Kong as a limited liability company on April 19, 2012 which holds our two principal operating subsidiaries, namely, CU Leasing and UI Leasing (TJ). As of the Latest Practicable Date, our ultimate Controlling Shareholder was GT-PRC, which beneficially owned 51% of the entire issued share capital of our Company.

Our Group is principally engaged in the provision of integrated healthcare services to hospitals in China, including (1) equipment financing, (2) healthcare industry, equipment and financing advisory services and (3) clinical department upgrade services.

MILESTONES

The following sets forth the key milestones of the development of our Group since CU Leasing's establishment in 1984:

Time	Milestone
1984	Our first operating subsidiary, CU Leasing was incorporated in the PRC. Its then principal business included leasing in the PRC.
1998	GT-PRC was established and became the indirect single largest equity-holder of CU Leasing.
2006	CU Leasing completed a corporate structure and business operation reform. Following completion of such reform, CU Leasing became a wholly-owned subsidiary of GT-PRC and started to focus on the healthcare industry in the PRC.
2009	CU Leasing entered into a memorandum with an Italian medical equipment manufacturer for cooperation in promoting registration of CU Leasing with CFDA as an agent of certain medical imaging device.
2011	CU Leasing started engaging in CVA-related business and entered into a strategic cooperation agreement with the designated PRC partner of the Sino American Stroke Group to organize provision of CVA technology trainings by industry experts to medical practitioners in China.
2012	Our Company was incorporated in Hong Kong and ultimately owned by GT-PRC. Our Company became the direct holding company of CU Leasing by acquiring the entire equity interest in CU Leasing from GT-HK. CITIC Capital Leasing and Jublon became our strategic investors, and subscribed for 41% and 8% respectively of our Company's issued share capital, while GT-PRC's indirect interest in our Company's issued share capital was reduced to 51%.
2014	ICBCI, Chow Tai Fook and CCBI acquired certain shares of our Company from CITIC Capital Leasing and Jublon and became interested in 9.55%, 7.60% and 5.85% of our then total issued share capital respectively. CITIC Capital Leasing and Jublon's shareholding interests in our Company were reduced to 19.24% and 3.76% respectively.
2015	We started engaging in the information technology business, and building up our information technology team.

HISTORY AND DEVELOPMENT

Our Company

Our Company was incorporated on April 19, 2012 in Hong Kong with limited liability and became the holding company of our Group. See the paragraph headed “Incorporation of our Company, changes of equity-holders of (and capital in) CU Leasing, and investments by strategic investors in our Company in 2012” in this section below.

Our Group

The following table contains some brief details of our Company and our subsidiaries as of the Latest Practicable Date:

Entity	Date and place of incorporation	Amount of registered capital/ authorized share capital	Amount of paid up capital	Equity interest attributable to our Group	Principal activities
Our Company	April 19, 2012, Hong Kong	N/A	US\$253,913,216	N/A	Investment holding
Uni-One	June 30, 2008, Cayman Islands	US\$50,000	US\$1	100%	Issuer of the 2017 Bonds <i>(Note 1)</i>
Uni-Two	June 30, 2008, Cayman Islands	US\$50,000	US\$1	100%	Dormant
CU Leasing	November 1, 1984, PRC	US\$203,887,616	US\$203,887,616	100%	Investment holding, provision of integrated healthcare services
UI Leasing (TJ)	December 10, 2014, PRC	US\$50,000,000	US\$50,000,000	100%	Provision of integrated <i>(Note 2)</i> healthcare services

Notes:

1. The 2017 Bonds are listed and traded on the Stock Exchange.
2. Our Company is the holder of 25% equity interest (equivalent to US\$12.5 million) in UI Leasing (TJ). As of the Latest Practicable Date, our Company and CU Leasing had made their respective capital contributions to UI Leasing (TJ) in full.

UI Leasing (TJ) was set up in Tianjin, the PRC in order to enjoy certain policy initiatives (such as more favorable exchange control and tax policies) implemented by the Tianjin Government.

As advised by our PRC Legal Advisor, all necessary approvals, permits and licenses as required under the PRC law in relation to the above establishment of UI Leasing (TJ) have been obtained by our Group.

HISTORY AND DEVELOPMENT

HISTORY AND DEVELOPMENT

Our Group was founded in 1984 through the establishment of CU Leasing. CU Leasing was established in the PRC on November 1, 1984 as a sino-foreign equity joint venture enterprise with initial registered capital and investment amount both of US\$3.0 million. At its incorporation, the then equity-holders of and their respective percentage of equity interest in CU Leasing were as follows:

PRC joint-venture partners:

(i)	CNTIC	10%
(ii)	China National Machinery Import & Export Corporation (中國機械進出口總公司 (now known as 中國機械進出口(集團)有限公司)) (“ CN Machinery ”)	10%
(iii)	China National Instruments Import & Export (Group) Corporation (中國儀器進出口總公司 (now known as 中國儀器進出口(集團)公司)) (“ CN Instruments ”)	10%
(iv)	Bank of China Trust and Consulting Company (中國銀行信託諮詢公司) (now known as China Orient Trust and Investment Company (中國東方信託投資公司)) (“ China Trust ”)	24%

Foreign joint-venture partners:

(v)	Dresdner Bank AG	23%
(vi)	The Sanwa Bank Limited (subsequently known as UFJ Bank Limited)	23%

Each of CNTIC, CN Machinery and CN Instruments was then and is, as of the Latest Practicable Date, a state-owned enterprise.

GT-PRC was established in 1998 and then became the holding company of each of CNTIC, CN Machinery and CN instruments. As of the Latest Practicable Date, it was a core state-owned enterprise under the direct administration of the PRC central government.

In 2001, CU Leasing underwent certain reforms in connection with its corporate structure and business operation. The principal steps then taken to effect such reforms included the following:

- GT-PRC acquired 54% of the equity-interests in CU Leasing from the PRC joint-venture partners, while GT-HK acquired 46% of the equity-interests in CU Leasing from the foreign joint-venture partners;
- GT-PRC and GT-HK assumed the shareholders’ loans granted to CU Leasing by the foreign joint-venture partners;
- such loans were capitalized, and reduction of capital in CU Leasing was reduced to make up for its operating loss.

For further details, please refer to the paragraph headed “1.7 Changes in the equity and loan capital, and equity-holders and loan-creditors of CU Leasing prior to the Track Record Period” in “Appendix IV—Statutory and general information” to this prospectus.

HISTORY AND DEVELOPMENT

Following the above changes, the registered capital of CU Leasing as of April 2007 became US\$25 million and was held as to 50.8% and 49.2% by GT-PRC and GT-HK respectively.

In connection with the above changes, in 2006, CU Leasing started to focus on the healthcare industry in the PRC.

INCORPORATION OF OUR COMPANY, CHANGES OF EQUITY-HOLDERS OF (AND CAPITAL IN) CU LEASING, AND INVESTMENTS BY STRATEGIC INVESTORS IN OUR COMPANY IN 2012

To optimize our corporate structure, expand our capital base and enhance our competence in management and our competitiveness, our Company was incorporated and two strategic investors were invited to invest in our Company as part of our overall corporate restructuring in 2012.

In early 2012, our Group undertook the following principal steps to implement our corporate restructuring:

Incorporation of our Company

On April 19, 2012, our Company was incorporated in Hong Kong with limited liability with total issued share capital US\$62,525,600 divided into 62,525,600 ordinary shares of US\$1 each, all of which were issued, fully paid up, to GT-HK.

At that time, the entire issued share capital of GT-HK was held by GT-PRC and Paryocean as to 95% and 5% respectively, and the entire issued share capital in Paryocean was held by GT-PRC and GT-HK as to 99% and 1% respectively. Since December 12, 2013, Paryocean has been holding 5% of the issued share capital of GT-HK as trustee for and on behalf of GT-PRC. Accordingly, GT-PRC then beneficially owned (and still beneficially owns) the entire issued share capital in GT-HK.

Change of the economic status and shareholder of CU Leasing

1. Pursuant to an equity transfer agreement dated January 18, 2012, GT-PRC agreed to transfer its 50.8% equity interest in CU Leasing to GT-HK at a consideration of US\$31.04 million. The said consideration was based on the net asset value of CU Leasing as of June 30, 2011 as indicated in a valuation report issued by an independent valuer, and the related equity-holding of GT-PRC in CU Leasing. Such transfer was approved by SASAC and the relevant commerce authority in March 2012 and was registered with the relevant AIC in March 2012. The consideration was fully settled in April 2012 in cash.
2. Following completion of the above equity transfer, GT-HK became the sole equity-holder of CU Leasing. On March 20, 2012, the economic nature of CU Leasing changed from a sino-foreign equity joint venture enterprise to a wholly foreign-owned enterprise.

HISTORY AND DEVELOPMENT

- Pursuant to an equity transfer agreement dated April 20, 2012, GT-HK agreed to transfer the entire equity interest in CU Leasing to our Company at a consideration of US\$62,525,600. The said consideration was based on the net asset value of CU Leasing as of December 31, 2011 as indicated in a valuation report issued by an independent valuer. Such transfer was approved by the relevant commerce authority in May 2012 and was registered with the relevant AIC in June 2012. The consideration was fully settled in June 2012 in cash. Following the above equity transfer took effect and since May 2012, our Company became the sole equity-holder of CU Leasing.

As advised by our PRC Legal Advisor, all necessary approvals, permits and licences as required under the PRC law in relation to the above change of economic status and shareholder of CU Leasing have been obtained by our Group.

Introduction of strategic investors

On April 17, 2012, GT-PRC, GT-HK, CU Leasing, CITIC Capital Leasing and Jublon entered into a subscription agreement (“**2012 Subscription Agreement**”) pursuant to which, CITIC Capital Leasing and Jublon (collectively, the “**2012 Subscribers**”) agreed to subscribe for 41% and 8% respectively of the enlarged issued share capital of our Company (immediately after completion of the 2012 Subscription Agreement) at the respective consideration of US\$50,265,679 and US\$9,807,937 (“**2012 Investment**”).

Date of 2012 Subscription Agreement : April 17, 2012

The 2012 Subscribers : CITIC Capital Leasing

Jublon

CITIC Capital Leasing is an investment holding company wholly-owned by CITIC Capital China Partners II, L.P. whose general partner is CCP II GP Ltd.. CITIC Capital Leasing is a Substantial Shareholder of our Company and other than being a party to the 2014 Shareholders Agreement, it is independent of Jublon and the 2014 Investors.

Jublon is a company with limited liability incorporated under the laws of the BVI, it is a wholly-owned subsidiary of Jublon One Limited. Jublon is a Connected Person as of the Latest Practicable Date and other than being a party to the 2014 Shareholders Agreement, it is independent of CITIC Capital Leasing and the 2014 Investors.

HISTORY AND DEVELOPMENT

Please refer to the section headed “Definitions” in this prospectus for further background of CITIC Capital Leasing and Jublon.

Amount of subscription price and basis of determination : US\$50,265,679 by CITIC Capital Leasing
US\$9,807,937 by Jublon

The subscription price was determined based on arm’s length negotiations between parties and the shareholders’ equity interest of CU Leasing as of December 31, 2011 as indicated in a valuation report issued by an independent valuer.

Payment date of subscription price : May 21, 2012

Completion date of the 2012 Subscription Agreement : June 19, 2012

Cost per share paid by the 2012 Subscribers : The subscription price was US\$1 (equivalent to HK\$7.77) for each share issued to the 2012 Subscribers. Taken into consideration the effect of the Share Subdivision that the subscription price would be US\$0.2 (equivalent to HK\$1.554) per share and represents a discount of 82.42% to HK\$8.84, being the mid-point of the indicative Offer Price range.

Use of proceeds arising from the 2012 Subscription Agreement : The net proceeds raised from the 2012 Subscription Agreement are to be used as general working capital of CU Leasing for its business development and for other purposes approved by the respective board of directors of our Company and CU Leasing. As of the Latest Practicable Date, all of the above proceeds were utilized as general working capital of CU Leasing for its business development.

Strategic benefits brought by the 2012 Subscribers : The 2012 Subscribers have used their respective resources and strengths to develop the following aspects concerning our Company and CU Leasing: participating in the formulation of their development strategies; helping CU Leasing in its internationalization of operation and enhancement of management standards; and exploring overseas and domestic fund-raising channels.

HISTORY AND DEVELOPMENT

Special rights granted to the 2012 Subscribers : Under the 2012 Subscription Agreement, the 2012 Subscribers were granted certain special rights. All the provisions of the 2012 Subscription Agreement conferring the above special rights ceased to be effective and have been superseded by the 2014 Shareholders Agreement.

For further information on such special rights conferred under the 2012 Subscription Agreement, please refer to the paragraph headed “1.8 Special rights granted to CITIC Capital Leasing and Jublon under the 2012 Subscription Agreement” in “Appendix IV—Statutory and general information” to this prospectus.

On June 19, 2012, being the date of completion, the issued share capital of our Company was increased to US\$122,599,216 divided into 122,599,216 ordinary shares of US\$1 each by the creation of an additional 60,073,616 ordinary shares of US\$1 each, of which 50,265,679 ordinary shares of US\$1 each were allotted and issued to CITIC Capital Leasing and 9,807,937 ordinary shares of US\$1 each were allotted and issued to Jublon.

The then total issued issue capital of our Company was owned by our then Shareholders in the following proportion:

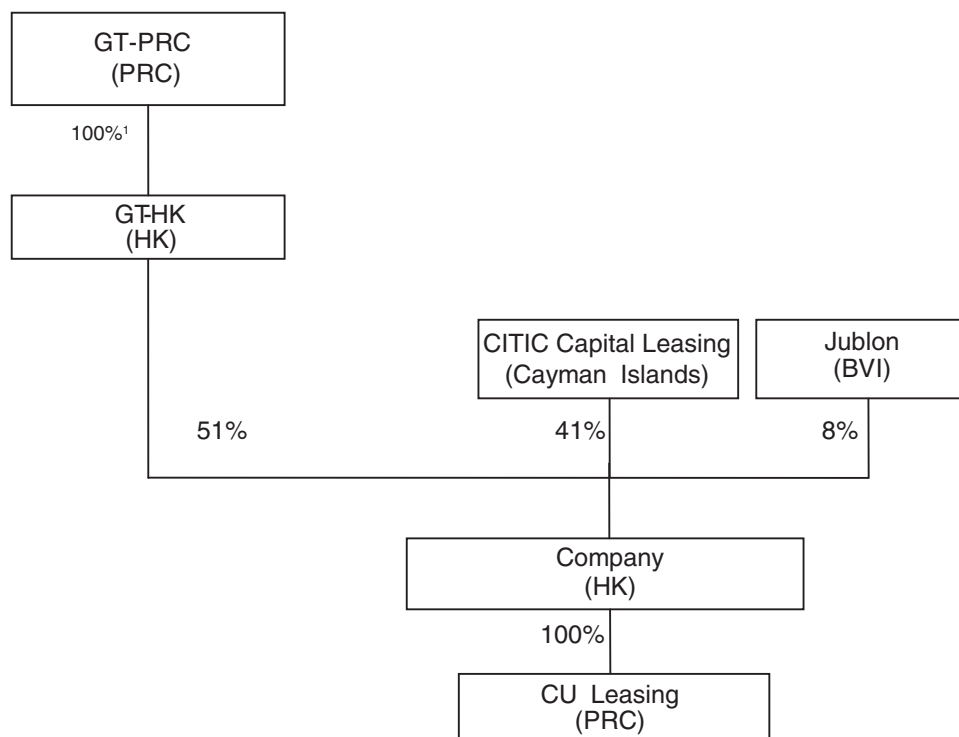
Shareholder	No. of shares held	Shareholding percentage (%)
GT-HK	62,525,600	51.00%
CITIC Capital Leasing	50,265,679	41.00%
Jublon	<u>9,807,937</u>	<u>8.00%</u>
Total:	<u><u>122,599,216</u></u>	<u><u>100.00%</u></u>

Our Directors confirm that the 2012 Subscription Agreement was entered into on normal commercial terms.

HISTORY AND DEVELOPMENT

The following chart depicts the shareholding structure of our Company and our subsidiaries as of June 19, 2012 immediately after completion of the 2012 Subscription Agreement:

Chart 1



Note 1: GT-PRC then beneficially owned (and still beneficially owns) the entire issued share capital in GT-HK. As of June 2012, the entire issued share capital of GT-HK was held by GT-PRC and Paryocean as to 95% and 5% respectively, and the entire issued share capital in Paryocean was held by GT-PRC and GT-HK as to 99% and 1% respectively. Since December 12, 2013, Paryocean has been holding 5% of the issued share capital of GT-HK as trustee for and on behalf of GT-PRC.

CHANGE IN CAPITAL AND SHAREHOLDERS OF OUR COMPANY

We set forth below the material changes in the issued share capital and Shareholders of our Company following completion of the 2012 Subscription Agreement.

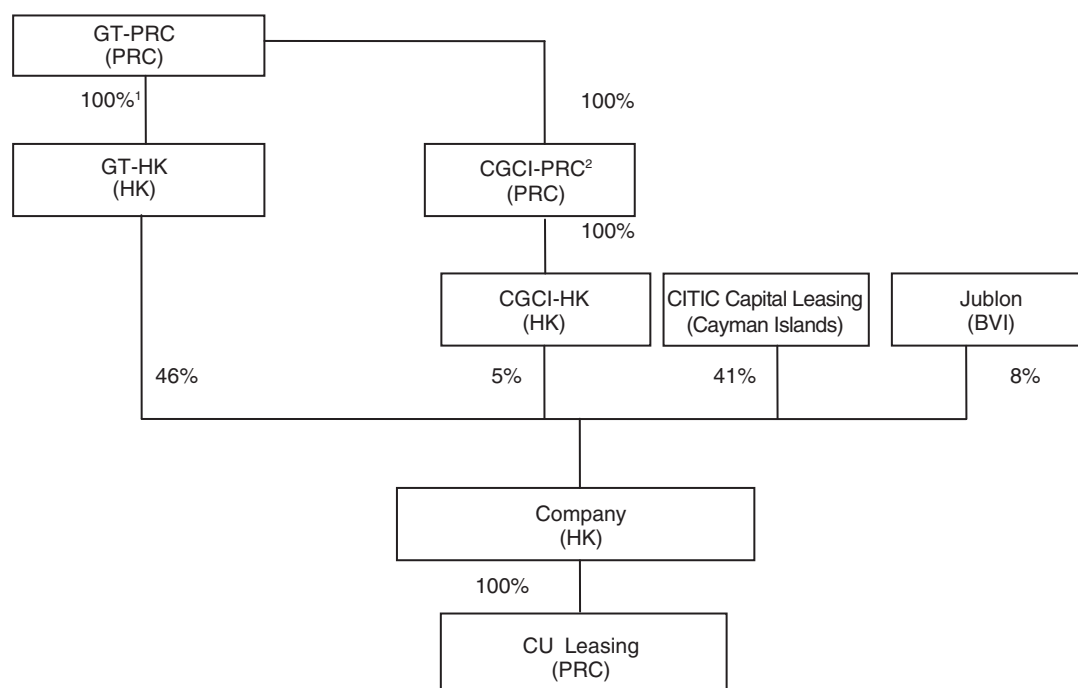
Transfer of 5% shares to CGCI-HK

As part of the internal adjustment of GT-PRC, on September 6, 2012, GT-HK transferred 5% of the then total issued share capital (represented by 6,129,961 shares) in our Company to CGCI-HK, an indirect wholly-owned subsidiary of GT-PRC at a consideration of US\$6,129,961 which was based on the shareholders' equity interest of CU Leasing as of December 31, 2011 as indicated in a valuation report issued by an independent valuer. The consideration was fully settled in September 2012 in cash.

HISTORY AND DEVELOPMENT

The following chart depicts the shareholding structure of our Company and our subsidiaries as at September 6, 2012:

Chart 2



Notes

1. See note 1 to chart 1 above.
2. GT-PRC then beneficially owned (and still beneficially owns) the entire equity interest in CGCI-PRC. As of and since September 2012, GT-PRC has been the holder of 98.2% equity interest of CGCI-PRC, and the remaining 1.8% equity interests of CGCI-PRC have been held by three wholly-owned subsidiaries of GT-PRC (not being members of our Group) in equal shares.

Increase in the issued share capital in February 2014

On February 21, 2014, our issued share capital was increased from US\$122,599,216 to US\$172,599,216 by the injection of additional share capital in the sum of US\$50 million by our then Shareholders in cash in proportion to their shareholdings in our Company.

HISTORY AND DEVELOPMENT

Transfer of shares to companies held by certain management members of our Group

As an incentive for their contribution to our Group and with the expectation that certain management members of our Group will continue to make meaningful contribution to the development of our Group, such management members became Shareholders of our Company on October 10, 2014 when the 2012 Subscribers transferred a total of the then 5,177,976 shares to three BVI companies (“**Management BVI Companies**”) pursuant to three separate share sale and purchase agreements dated September 28, 2014 (“**Management Investment**”), brief details of which are set out below:

Agreement	Seller(s)	Purchaser (Note 1)	No. of shares in our Company sold	Purchase price (US\$) (Note 2)
1	CITIC Capital Leasing	ITCCL	2,071,191	2.36 million
2	CITIC Capital Leasing	Evergreen	1,035,596	1.18 million
3	(i) CITIC Capital Leasing, and (ii) Jublon	WHSL	(i) 1,225,805 (ii) 845,384	(i) 1.40 million (ii) 0.96 million

Notes:

(1) Mr. Guo is the sole beneficial owner and sole director of ITCCL. Ms. Peng is the sole beneficial owner and sole director of Evergreen. WHSL is ultimately owned by 11 of our management members (who are not our Directors or directors of our subsidiaries) (together with Mr. Guo and Ms. Peng, the “**Management Shareholders**”) through 11 BVI companies. ITCCL and Evergreen are our Company’s connected persons.

In connection with the Management Investment, the Management Shareholders have undertaken that (i) he/she shall transfer his/her shares in the relevant Management BVI Companies to other management members of our Group as designated by us, if any of the Management Shareholders is found to be in material breach of his/her respective employment contract or corporate regulations, or if he/she resigns due to personal reasons; and (ii) for a period of 12 months after Listing, he/she shall not and shall procure the relevant Management BVI Companies not to transfer or pledge the Shares held by those companies (in respect of ITCCL and Evergreen only but not WHSL, otherwise than for repayment of the loans borrowed by ITCCL or Evergreen for acquiring the Shares).

The undertakings given by the Management Shareholders other than Mr. Guo and Ms. Peng will expire on the date falling 12 months from the date of Listing.

On the expiry of 12 months from the date of Listing, Mr. Guo or Ms. Peng may (via ITCCL or Evergreen, as the case may be) dispose of the Shares held by ITCCL or Evergreen, as the case may be, to an extent not exceeding such proportion the 2012 Subscribers will have disposed of their shares. The above disposal restriction shall terminate on the date falling 3 years from the date of Listing or the date on which the 2012 Subscribers hold in aggregate less than 5% of the total issued share capital of our Company (whichever is the earlier).

(2) The purchase price of each share in our Company is US\$1.14, and such consideration was determined by reference to the net asset value of our Company as of December 31, 2013 as indicated in the audited financial statements of our Company issued and available at that time. All such consideration was fully settled in October 2014 in cash.

The consideration paid by ITCCL and Evergreen were financed by borrowings from independent third parties, and the consideration paid by WHSL were financed by the relevant management members’ own source of funds.

HISTORY AND DEVELOPMENT

The above share transfers were completed on October 10, 2014 and following such completion, our Company became owned by the following Shareholders:

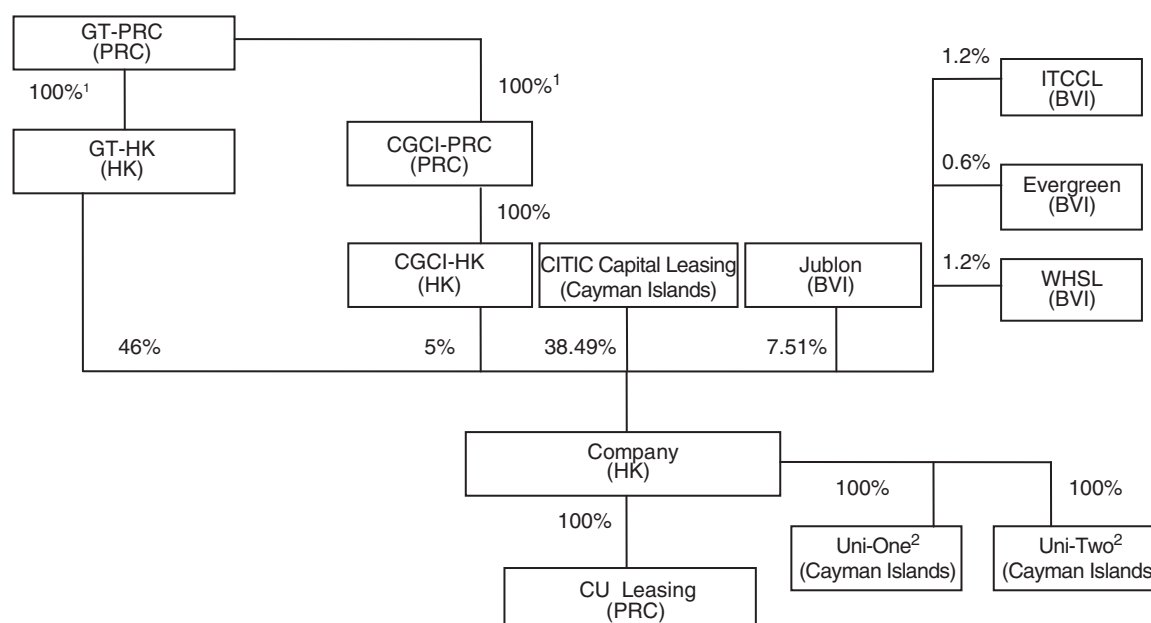
Shareholder	No. of shares held	Shareholding percentage (%)
GT-HK	79,395,639	46.00%
CGCI-HK	8,629,961	5.00%
CITIC Capital Leasing	66,433,087	38.49%
Jublon	12,962,553	7.51%
ITCCL	2,071,191	1.20%
Evergreen	1,035,596	0.60%
WHSL	2,071,189	1.20%
TOTAL	<u>172,599,216</u>	<u>100.00%</u>

Increase in the issued share capital in October 2014

On October 28, 2014, our issued share capital was increased from US\$172,599,216 to US\$253,913,216 by the injection of additional share capital in the sum of US\$81,314,000 by our then Shareholders in cash in proportion to their shareholdings in our Company.

The following chart depicts the shareholding relationship of our Company and our subsidiaries as of October 28, 2014:

Chart 3



Notes:

1. See notes 1 and 2 to Chart 2 above.

HISTORY AND DEVELOPMENT

2. On January 10, 2014, our Company acquired the entire issued share capital of each of Uni-One and Uni-Two from their then sole shareholder, which is a wholly-owned subsidiary of GT-PRC (not being a member of our Group).

Please refer to the paragraph headed “1.5 Changes in the share capital and shareholder of our subsidiaries” in “Appendix IV—Statutory and general information” to this prospectus for changes in the share capital and shareholder of our subsidiaries during the Track Record Period.

2014 INVESTMENT

On December 22, 2014, (i) CITIC Capital Leasing and (ii) Jublon as vendors on the one part and (iii) ICBCI, Chow Tai Fook and CCBI (collectively, the “**2014 Investors**”) respectively as purchasers on the other part, entered into three separate share sale and purchase agreements (collectively, the “**2014 S&P Agreements**”) on December 22, 2014 in connection with the sale and purchase of an aggregate of the then 58,400,039 shares, representing 23% of our then issued share capital at the unit price of approximately RMB12.37 (equivalent to US\$2.02) per share (“**2014 Investment**”). Brief details of which are set out below:

- (a) an agreement was entered into between ICBCI (as purchaser) on the one part and CITIC Capital Leasing and Jublon (as vendors) on the other part, whereby ICBCI agreed to purchase from (i) CITIC Capital Leasing, 20,289,697 shares (representing 7.99% of the issued shares) at a consideration of RMB250,991,028 (equivalent to US\$41,029,037) and (ii) Jublon, 3,959,015 shares (representing 1.56% of the issued shares) at a consideration of RMB48,974,472 (equivalent to US\$8,005,766);
- (b) an agreement was entered into between Chow Tai Fook (as purchaser) on the one part and CITIC Capital Leasing and Jublon (as vendors) on the other part, whereby Chow Tai Fook agreed to purchase from (i) CITIC Capital Leasing, 16,146,849 shares (representing 6.36% of the issued shares) at a consideration of RMB199,742,472 (equivalent to US\$32,651,530) and (ii) Jublon, 3,150,555 shares (representing 1.24% of the issued shares) at a consideration of RMB38,973,528 (equivalent to US\$6,370,930);
- (c) an agreement was entered into between CCBI (as purchaser) on the one part and CITIC Capital Leasing and Jublon (as vendors) on the other part, whereby CCBI agreed to purchase from (i) CITIC Capital Leasing, 12,428,798 shares (representing 4.89% of the issued shares) at a consideration of RMB153,748,809 (equivalent to US\$25,133,032) and (ii) Jublon, 2,425,125 shares (representing 0.96% of the issued shares) at a consideration of RMB29,999,691 (equivalent to US\$4,903,994).

On December 22, 2014, GT-PRC, GT-HK, CGCI-HK, our Company, the then existing Shareholders and the 2014 Investors entered into a shareholders agreement (“**2014 Shareholders Agreement**”) which became effective on December 22, 2014.

HISTORY AND DEVELOPMENT

Brief details of the 2014 S&P Agreements and 2014 Shareholders Agreement are set forth below:

Date of 2014 S&P Agreements
and date of the 2014
Shareholders Agreement : December 22, 2014

Name of the 2014 Investors : ICBCI
Chow Tai Fook
CCBI

ICBCI is owned as to 51% and 49% by ICBC International Finance Limited and Rollcash respectively.

Chow Tai Fook is an indirect wholly-owned subsidiary of Chow Tai Fook Enterprises Limited.

CCBI is wholly-owned by CCBI Investments Limited.

Each of ICBCI, Rollcash, Chow Tai Fook and CCBI is an independent third party.

Please refer to the section headed “Definitions” in this prospectus for further background information of the 2014 Investors.

Unit price and basis of
determination : The unit price for the transfers of approximately RMB12.37 (equivalent to US\$2.02) per share was determined based on arm’s length negotiations between the parties and with reference to the shareholders’ equity interests of CU Leasing as of June 30, 2014 as indicated in the unaudited management accounts of our Company issued and available at that time.

The purchase price was approximately US\$2.02 (equivalent to HK\$15.69) for each share. Taken into consideration the effect of the Share Subdivision that the purchase price would be US\$0.404 (equivalent to HK\$3.139) per share and represents a discount of approximately 64.49% to HK\$8.84, being the mid-point of the indicative Offer Price range.

Payment date and completion
date of the 2014 S&P
Agreements : December 22, 2014

HISTORY AND DEVELOPMENT

- Strategic benefits brought by the 2014 Investors : The 2014 Investors have used their respective resources and strengths to develop the following aspects concerning our Company and CU Leasing: participating in the formulation of their development strategies; helping CU Leasing in its internationalization of operation and enhancement of management standards; and exploring overseas and domestic fund-raising channels.
- Special rights granted to the 2014 Investors, and 2012 Subscribers (collectively, the “Investors”) under the 2014 Shareholders Agreement :
1. right to obtain certain financial information of members of our Group and to conduct investigation and/or audit on financial information of our Company and CU Leasing;
 2. right to nominate some directors and deputy general manager of our Company and CU Leasing. Under the 2014 Shareholders Agreement, the Investors shall have the right to nominate four out of eight directors of each of our Company and CU Leasing;
 3. prior unanimous or majority consent from directors of our Company and CU Leasing (including those nominated by the Investors) for certain major corporate actions concerning our Company and CU Leasing (including but not limited to liquidation, enter into amalgamation or merger, change of principal business, sale of assets or business exceeding certain amounts, amendment to the articles of association and declaration and payment of dividend);
 4. for so long as the Investors together are interested in 5% or more of the issued share capital in our Company, negative pledges restricting GT-PRC, GT-HK and CGCI-HK from, directly or indirectly, disposing of and pledging their equity interests in CU Leasing;

HISTORY AND DEVELOPMENT

5. for so long as the Investors together are interested in 5% or more of the total issued share capital of our Company, right of first refusal or tag-along rights (which may be exercised by their discretion) in proportion to the shareholdings in our Company held by the Investors, in the event of disposal of shares of our Company by GT-PRC, GT-HK and CGCI-HK. Where the aggregate shares being disposed of by GT-PRC, GT-HK and CGCI-HK represent 30% or more of our Company's issued share capital, at the request of any Investor, GT-PRC, GT-HK and CGCI-HK shall procure that such Investor shall have priority to dispose of all of its shares in our Company to the potential purchaser;
6. in the event of issuance and allotment of new shares and/or convertible notes, pre-emptive rights in proportion to their respective shareholdings in our Company.

Prior to the listing of our Shares, in the event that any Investor disposes any of its shares to third parties, the Investors shall first offer to sell such Shares to GT-HK and CGCI-HK on the same conditions as proposed to the third party purchaser.

The 2012 Subscription Agreement (including all special rights conferred to the 2012 Subscribers) ceased to be effective on December 22, 2014 and were superseded by the 2014 Shareholders Agreement.

The 2014 Shareholders Agreement will terminate and cease to have effect upon Listing. Accordingly, all the special rights aforementioned will discontinue upon Listing.

HISTORY AND DEVELOPMENT

Completion of the share transfers pursuant to the 2014 S&P Agreements took place on December 22, 2014. Immediately following such completion, the issued issue capital of our Company became owned by the following Shareholders:

Shareholder	No. of shares held	Shareholding percentage (%)
GT-HK	116,800,079	46.00
CGCI-HK	12,695,661	5.00
CITIC Capital Leasing	48,865,339	19.24
Jublon	9,534,702	3.76
ICBCI	24,248,712	9.55
Chow Tai Fook	19,297,404	7.60
CCBI	14,853,923	5.85
ITCCL	3,046,959	1.20
Evergreen	1,523,480	0.60
WHSL	<u>3,046,957</u>	<u>1.20</u>
TOTAL	<u>253,913,216</u>	<u>100.00</u>

Our Directors confirm that the 2014 S&P Agreements and the 2014 Shareholders Agreement were entered into on normal commercial terms.

Confirmation of Joint Sponsors

Upon reviewing the terms of the 2014 S&P Agreements and 2014 Shareholders Agreement (which supersedes the 2012 Subscription Agreement and governs the rights of the above Shareholders as of the Latest Practicable Date), the Joint Sponsors are of the view that the 2012 Investment and the 2014 Investment are in compliance with the Interim Guidance on Pre-IPO Investments (HKEx-GL29-12) and the Guidance on Pre-IPO investments (HKEx-GL43-12).

SUBDIVISION OF SHARES

Pursuant to the written resolutions passed by all of our Shareholders on June 10, 2015, among others, each existing share in the capital of our Company was subdivided into five Shares in the capital of our Company with effect from June 11, 2015.

HISTORY AND DEVELOPMENT

Immediately following the Share Subdivision, the issued Shares became owned by the following Shareholders:

Shareholder	No. of Shares held	Shareholding percentage (%)
GT-HK	584,000,395	46.00
CGCI-HK	63,478,305	5.00
CITIC Capital Leasing	244,326,695	19.24
Jublon	47,673,510	3.76
ICBCI	121,243,560	9.55
Chow Tai Fook	96,487,020	7.60
CCBI	74,269,615	5.85
ITCCL	15,234,795	1.20
Evergreen	7,617,400	0.60
WHSL	15,234,785	1.20
TOTAL	<u>1,269,566,080</u>	<u>100.00</u>

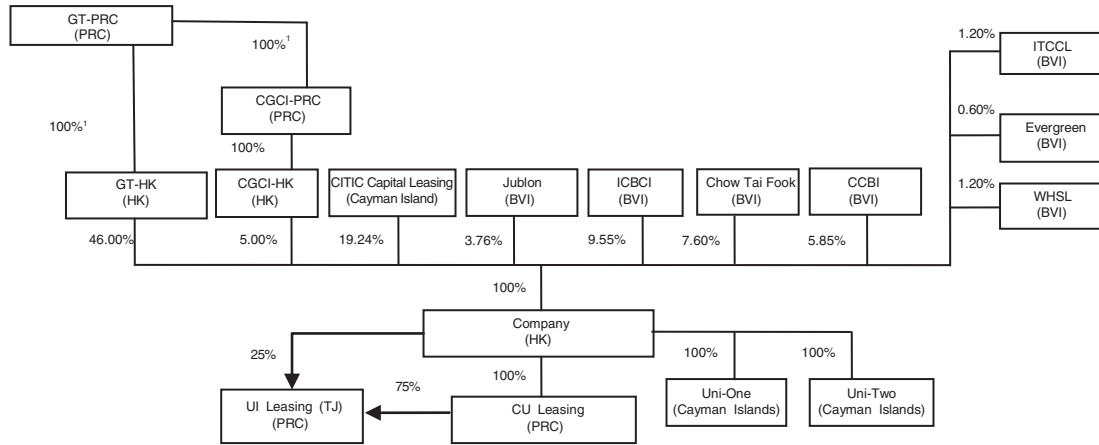
Each of CITIC Capital Leasing, ICBCI, Chow Tai Fook and CCBI has undertaken not to dispose of, directly or indirectly, (1) any of the Shares held by them for a period of six months after the Listing (the “**First Six-Month Period**”); (2) 50% of the Shares held by them for a period of six months after the First Six-Month Period, unless prior written consent has been obtained from our Company and the Joint Global Coordinators, under the terms and conditions set forth in the undertakings.

The Shares held by each of ICBCI, Chow Tai Fook and CCBI will be counted as part of the public float of our Company given that each of the above Shareholders is only a strategic investor in our Group and is an independent third party.

HISTORY AND DEVELOPMENT

The following chart depicts the shareholding relationship of our Company and our subsidiaries as of the Latest Practicable Date:

Chart 4

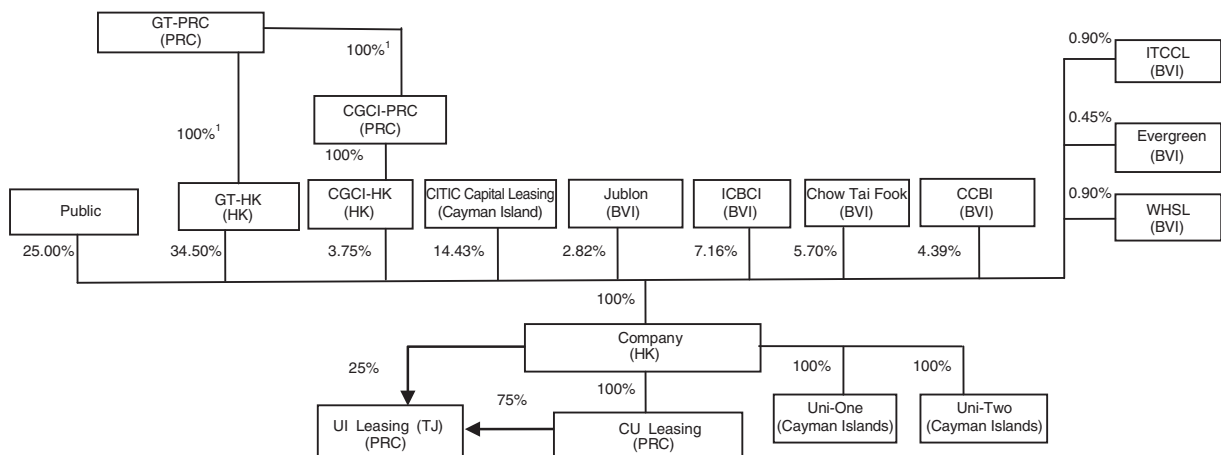


Note 1: See notes 1 and 2 to Chart 2 above.

Corporate Chart as of the Listing Date

The following shows the shareholding structure of our Group immediately following completion of the Global Offering (assuming that the Over-Allotment Option will not be exercised at all):

Chart 5



Note 1: See notes 1 and 2 to Chart 2 above.

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In this prospectus, integrated healthcare services providers refer to companies (1) that offer integrated healthcare services comprising multiple services to hospitals or other healthcare institutions and (2) whose annual revenue from the healthcare industry represent more than 30.0% of its total revenue. See “Industry Overview—Integrated Healthcare Services”.

OVERVIEW

We are the largest integrated healthcare services provider in China in terms of revenue in 2014, according to Frost & Sullivan. We offer our hospital customers a variety of integrated healthcare services, including (1) equipment financing, which constitutes the principal component of our business, (2) healthcare industry, equipment and financing advisory services and (3) clinical department upgrade services. We provide equipment financing services in the form of financial leasing services, which contributed 54.5%, 59.2% and 66.6% of our total revenue before business tax and surcharges in 2012, 2013 and 2014, respectively. Our clinical department upgrade services integrate clinical department upgrade advisory services, medical equipment sourcing services and operating lease services, assisting our hospital customers in establishing or upgrading select clinical departments. As of December 31, 2014, our sales and marketing team covered a customer base of over 1,000 hospitals, 741 of which generated revenue for us during the Track Record Period.

Our distinctive business model of providing integrated healthcare services to hospitals is backed by our strong platform of resources, which includes internal and external industry experts, financing capabilities and medical equipment in-licensing capabilities. As of the Latest Practicable Date, we had a team of 130 internal experts and a network of 220 external medical experts, who work together closely to develop new services, participate in our sales and marketing initiatives and jointly provide various advisory services. Our large customer base enhances our ability to obtain financing from banks and capital markets. By leveraging our quality asset base, we have obtained financing support from 56 domestic and foreign invested financial institutions, allowing us to provide our hospital customers with strong financing support. As of the Latest Practicable Date, we had a dedicated team of 27 employees focusing on equipment in-licensing from international medical equipment suppliers, and were the exclusive distributor in China of 19 medical equipment product categories covering a total of 194 medical equipment product models manufactured in various countries including Germany, Italy and Austria, which demonstrates our ability to provide global equipment sourcing services to hospitals.

We strategically target hospitals with high growth potential, and therefore have selected regional and county level hospitals as our key customer base. According to Frost & Sullivan, revenue of regional and county level hospitals is expected to grow at a CAGR of 18.5% between 2014 and 2018, compared to 17.3% for China’s hospitals’ overall growth during the same period. In 2012, 2013 and 2014, regional and county level hospitals accounted for 95.9%, 96.6% and 97.2% of our hospital customer base measured by number, respectively. In addition, our existing and expanding offerings of integrated services and our platform of resources have resulted in high customers loyalty. 31.6% of our hospital customers in 2014 were repeat customers to whom we provided services in previous years.

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Our equipment financing, provided in the form of financial leasing services, form the backbone of our integrated services business model. We focus our financial leasing services on China's fast growing healthcare industry. During the Track Record Period, an average of 73.3% of our net lease receivables before provision were attributable to customers in the healthcare industry as calculated based on average month-end receivables. According to Frost & Sullivan, we had the highest business focus on the healthcare industry among the 10 largest MOFCOM-approved financial leasing companies in China. We also cross sell financial leasing services for educational and other projects.

We have developed certain clinical department upgrade services that target highly prevalent major diseases, and most regional and county level hospitals require these upgrade services for their clinical capabilities to provide effective treatment to patients. Based on our in-depth industry knowledge and favorable Chinese government policies, we have identified that regional and county level hospitals in China have a strong and immediate demand for clinical department upgrade services. In particular, we launched our CVA project solutions to regional and county level hospitals in 2011 to improve their CVA screening, treatment and prevention capabilities. We selected CVA as an area to focus on as it has a patient base of more than 10 million people and resulted in an annual expenditure of RMB40 billion in China in 2014. As of the Latest Practicable Date, we had entered into agreements in respect of our CVA project solutions with 55 hospitals in 22 provinces in China.

We grew rapidly during the Track Record Period. In 2012, 2013 and 2014, our revenue was RMB593.3 million, RMB981.5 million and RMB1,552.7 million, respectively, representing a CAGR of 61.8% between 2012 and 2014. In the same period, we had gross profit of RMB388.5 million, RMB632.8 million and RMB933.1 million, respectively, representing a CAGR of 55.0%.

COMPETITIVE STRENGTHS

We believe that the following competitive strengths contribute to our success and differentiate us from our competitors.

We are the largest integrated healthcare services provider in China, benefiting from China's fast growing healthcare industry

We are the largest integrated healthcare services provider in China in terms of revenue in 2014, according to Frost & Sullivan. In 2014, our revenue was RMB1,552.7 million, representing a market share of 20.9% among healthcare solutions providers in China. Between 2012 and 2014, our revenue grew at a CAGR of 61.8%, and our customer base grew to cover more than 1,000 hospitals, 741 of which generated revenue for us during the Track Record Period.

We offer our hospital customers a variety of integrated services, including (1) equipment financing, which constitutes the principal component of our business, (2) healthcare industry, equipment and financing advisory services and (3) clinical department upgrade services. Our clinical department upgrade services integrate clinical department upgrade advisory services,

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medical equipment sourcing services and operating lease services. Our distinctive business model of providing integrated healthcare services to hospitals is backed by our strong platform of resources, which includes internal and external industry experts, financing capabilities and medical equipment in-licensing capabilities. We believe that our resources platform distinguishes us from competitors and enables us to attract customers and solidify our large customer base. Our large customer base in turn enables us to attract internal and external experts, enhance our financing capabilities and attract medical equipment suppliers, further strengthening our resources platform.

We benefit from our position as the largest integrated healthcare services provider in China in the following respects, which makes us well-positioned to capture China's fast growing healthcare industry:

- *Highly recognized brand name and large customer base in the industry:* As the largest integrated healthcare services provider in China, our brand name is widely recognized in China's healthcare community by both hospitals and medical professionals. This recognition helps us build our customers' trust and facilitates our sales and marketing efforts to new customers. Leveraging our coverage of over 1,000 hospitals in China, we have accumulated in-depth healthcare industry knowledge that aids our development of innovative services to meet industry needs and better serve our customers.
- *Innovative capabilities supported by a network of industry experts:* With our large hospital customer base, we are an attractive partner to external medical experts for the co-development of innovative healthcare services and the co-serving of hospital customers. Our large customer base also attracts healthcare industry experts to join us as employees, which in turn bolsters our institutional knowledge development and innovation capabilities. As of the Latest Practicable Date, we had a team of 130 internal experts and a network of 220 external medical experts. Leveraging the expertise of our internal and external experts, we believe we are at the forefront of healthcare services innovation in China and we will be able to continue to develop innovative services to meet the demand and improve the clinical capabilities of China's hospitals. For example, our innovative CVA project solutions are integrated services to help hospitals upgrade their CVA screening, treatment and prevention capabilities.
- *In-licensing of international medical equipment:* In light of our large customer base and our medical equipment in-licensing capabilities, we have been selected by several international medical equipment suppliers as their exclusive sales agent in China. We are currently the exclusive distributor in China of 19 medical equipment product categories covering a total of 194 medical equipment product models manufactured in various countries including Germany, Italy and Austria.

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- *Customer loyalty and cross-selling opportunities:* By providing integrated services to hospitals, we are in a strong position to earn the trust and loyalty of our customers, which enable us to cross-sell our different services and solutions across our large base of hospital customers. 31.6% of our hospital customers in 2014 were repeat customers to whom we provided services in previous years. In addition, clinical department upgrade services have created significant cross-selling opportunities. During the Track Record Period, over 90% of our CVA project solutions customers were repeat customers who had also used our other solutions.

We offer healthcare industry specialized and fast growing equipment financing

Our equipment financing, which are provided in the form of financial leasing services, form the backbone of our integrated services business model, and generated finance lease income contributing 66.6% of our total revenue before business tax and surcharges in 2014. We focus our equipment financing on the fast growing healthcare industry, particularly on regional and county level hospitals. We currently operate our equipment financing via financial leasing services. During the Track Record Period, an average of 73.3% of our net lease receivables before provision were attributable to customers in the healthcare industry as calculated based on average month-end receivables. According to Frost & Sullivan, we had the highest business focus on the healthcare industry among the 10 largest MOFCOM-approved financial leasing companies in China. China's healthcare services expenditure (excluding hospital's procurement of drugs and consumables) grew at a CAGR of 18.7% between 2009 and 2013, and is forecast to grow at a CAGR of 17.3% from 2014 to 2018. Between 2012 and 2014, revenue of our financial leasing business generated from the healthcare industry grew at a CAGR of 58.4%.

We leverage the specialized industry knowledge of our internal experts and our financial expertise to offer customized equipment financing. As part of our solutions, we help our hospital customers assess their funding needs, future operating cash flow and debt serviceability with the goal of designing customized financing where the customer borrows the appropriate amount of funds necessary for their operations, draws down the loan by tranches only as and when needed and repays the loan on a pre-determined repayment schedule based on the customer's cash flow projections. This lowers the overall funding cost of the customer by minimizing its idle cash and unnecessary borrowings.

By leveraging our industry focus and capabilities to provide customized solutions, we expect to continue to benefit from the fast growing healthcare industry in China.

Our clinical department upgrade services serve a large yet and unmet demand in regional and county level hospitals in China

Based on our in-depth industry knowledge and favorable Chinese government policies, we have identified strong and immediate demand in China for clinical department upgrade services. Despite China's healthcare reform, there is still a significant gap between the medical resources and clinical capabilities of regional and county level hospitals, which represented 97.2% of our hospital customer base measured by number in 2014, and those of

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national and provincial level hospitals. To reduce this gap, the Chinese government recently adopted policies to encourage regional and county level hospitals to further improve their clinical expertise and upgrade their medical equipment, to establish the tiered medical care system (分級診療) with a goal of treating 90% of patients within their local county level hospitals. Recognizing this large but unmet demand, we have developed certain clinical department upgrade services that target highly prevalent major diseases which most regional and county level hospitals require upgrading of their clinical capabilities to effectively treat.

In particular, we identified CVA as an area for growth in China as CVA has a patient base of more than 10 million people and an annual expenditure of RMB40 billion in China in 2014. However, there is still ample room for most regional and county level hospitals to upgrade their clinical capabilities to screen and treat CVA patients. Recognizing this opportunity, in 2011, we launched our CVA project solutions to help improve the CVA screening, treatment and prevention capabilities of regional and county level hospitals. Our CVA project solutions enable hospitals to (1) identify possible CVA patients and generate demand for CVA screening, prevention and treatment services; (2) develop CVA screening and prevention capabilities; and (3) establish expertise in providing medical treatments to CVA patients. To enable the hospitals achieve these goals, we provide the following integrated services to our hospital customers: (1) awareness promotion and marketing support; (2) medical training and support for medical professionals (including doctors and other medical personnel); (3) standardized hospital procedures and health record management system; and (4) medical equipment and related financing. As of the Latest Practicable Date, we had entered into agreements in respect of our CVA project solutions with 55 hospital customers in 22 provinces in China.

We have a solid track record in improving the clinical capabilities and financial performance of hospitals that adopt our CVA project solutions. For example, Qiqihar Jianhua Hospital, a leading regional level private hospital in the North East Region of China, doubled the revenue it derived from CVA related services after three years of partnership with us. We believe the improvement in CVA related services was a key factor in improving Qiqihar Jianhua Hospital's overall brand name recognition and its nearly tripled revenue in the same period. We derived RMB21.1 million in revenue from our cooperation with Qiqihar Jianhua Hospital. After we implemented the CVA project solutions for People's Hospital of Maoming, a large regional level Grade 3A hospital in west Guangdong with 2,000 beds, it achieved a 21% increase of volume in ultrasound diagnostics and 19% increase in turnover of neurology inpatient visits between 2013 and 2014.

We believe that our innovative solutions will become an important driver for our future growth and significantly enhance customer loyalty, as the implementation of these solutions requires us to work closely with our hospital customers over significant periods of time and enables us to acquire a deep understanding of their needs, allowing us to cross sell our advisory, financial leasing and equipment sourcing services.

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We have a large customer base of hospitals with high growth potential

During the Track Record Period, we covered a customer base of over 1,000 hospitals, 741 of which generated revenue for us. We focus on hospitals with high growth potential, and therefore have selected regional and county level hospitals as our key target customer base. In 2014, China had over 11,000 county level hospitals. In 2012, 2013 and 2014, regional and county level hospitals accounted for 95.9%, 96.6% and 97.2% of our hospital customer base measured by number, respectively. Between 2012 and 2014, the number of our total hospital customers grew at a CAGR of 22.8%, while the number of our regional and county level hospital customers grew at a CAGR of 23.6%. In addition, we usually only cooperate with hospitals that are Grade II hospitals and above, and select our hospital customers based primarily on their cash flows, the demographic features in the areas they cover, and their ranking in terms of overall size or specific clinical areas in the relevant region. Our customer base represents over 11% of China's Grade II Hospitals. In 2012, 2013 and 2014, 49.9%, 52.7% and 56.1% of our regional and county level hospital customers, respectively, had revenue of greater than RMB100 million, and 13.0%, 12.5% and 12.6% of our regional and county level hospital customers, respectively, had revenue of greater than RMB300 million.

We believe that we benefit from our key target customer base of regional and county level hospitals because they are relatively established yet have strong growth potential. This growth potential arises from increasing patient demand and favorable government policies with the objective of having 90% of patients treated within their local regional and county level hospitals. According to Frost & Sullivan, revenue of regional and county level hospitals is expected to grow at a CAGR of 18.5% between 2014 and 2018. These hospitals have a tremendous demand for integrated services to improve their clinical capabilities including clinical department upgrades, satisfy their financing needs, fulfill their equipment upgrade requirements and enhance their management capabilities. Our large number of hospital customers create significant cross-selling opportunities among our solutions offering in the future.

We possess strong international medical equipment in-licensing capabilities

Leveraging our extensive industry experience and large customer base, we have developed strong global in-licensing capabilities for medical equipment since 2009. As of the Latest Practicable Date, we had a dedicated team of 27 internal experts focusing on equipment in-licensing services, over 60% of whom held master or doctoral degrees in medicine. In addition, our internal experts regularly attend international medical equipment conferences to stay abreast of the latest developments in medical equipment technology. Equipped with their medical background and extensive industry knowledge and experience, our internal experts have developed a deep understanding of the latest developments in international medical technology as well as the needs and financing capabilities of China's hospitals, and therefore can identify the most suitable medical equipment for our hospital customers.

Once we have identified suitable equipment, we strive to become the exclusive sales agent in China for such equipment. We attract international equipment suppliers via our large customer base and in-licensing capabilities. In particular, international suppliers are not

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allowed to sell medical equipment in China unless it is registered with CFDA. As our equipment in-licensing experts have medical background, industry knowledge and extensive experience in dealing with China's regulators, international equipment suppliers have a strong incentive to use our in-licensing services to facilitate and expedite the registration with CFDA. Capitalizing on these advantages, as of the Latest Practicable Date, we had become the exclusive distributor in China of 19 medical equipment product categories covering a total of 194 medical equipment product models manufactured in various countries including Germany, Italy and Austria, for most of which we provided the in-licensing services. For example, we are the exclusive distributor in China of certain high-frequency jet ventilator, hysteroscope and laparoscope equipment.

We have an experienced and stable management team and sound corporate governance

We have an experienced and stable management team, whose strong entrepreneurship has contributed to the successful development of our businesses. Our executive Directors have an average of over 25 years of experience in China's financial services industry, of which an average of nine years have been spent with us. Our CEO, Mr. Guo, has over 30 years of experience in financial leasing and management, including 15 years of experience in the healthcare financial services sector and our CFO, Ms. Peng, has over 20 years of experience in financial and accounting management, including nine years in healthcare financial services. Our management team values the importance of loyalty, teamwork, cohesiveness, continuous learning and performance excellence. We have also established an equity-based incentive plan to align the interest of the management team with our Shareholders.

We are a member of Genertec Group, and our ultimate Controlling Shareholder, GT-PRC, is a Fortune 500 enterprise and one of the core state-owned enterprises directly administered by the Chinese central government. We have strategic cooperation arrangements with certain members of GT-PRC group that are primarily engaged in international trade business and have a network of overseas offices, including Genertec America, Inc, Euromapex Import & Export GmbH (歐洲機械進出口有限責任公司) and Genertec Italia S.R.L. (通用技術集團意大利公司), to assist our global equipment in-licensing efforts. In addition, our strategic investors include CITIC Capital, ICBCI, Chow Tai Fook, CCBI and Jublon. These strategic investors' representatives becoming our Shareholders and appointing Directors on our board further improved our corporate governance.

OUR STRATEGIES

We strive to become a world-class integrated healthcare services provider that plays a critical role in modernizing the clinical capabilities of China's healthcare institutions. We intend to leverage our existing resources platform and large hospital customer base to expand the spectrum of our healthcare solutions. We intend to continue to develop solutions tailored for regional and county level hospitals, which are our key customer base. In particular, we plan to implement the following strategies:

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Continue to grow our medical equipment financing business focusing on the healthcare industry in a prudent manner

We intend to continue to grow our medical equipment financing business, which are provided in the form of financial leasing services, in a prudent manner. In particular, we plan to expand our sales and marketing network to target existing and potential hospital customers, and enhance our risk management capabilities to manage our credit risk as our equipment financing business grows.

In order to further penetrate regional and county level hospitals in China, we intend to expand our sales and marketing network that currently covers 30 provinces and municipalities in China. In particular, we plan to establish sales representative offices in selected provinces, including Henan, Shandong, Hunan, Shaanxi and Sichuan, by the end of 2015, to further market our financial leasing business and facilitate our provision of healthcare solutions to hospitals located in these provinces. We selected these provinces based on their population, the number of regional and county level hospitals they contain, and our existing customer base in these provinces. We currently intend to recruit approximately 50 sales and marketing personnel with healthcare backgrounds to these offices.

We also strive to increase the cross selling of our equipment financing with other healthcare solutions. We intend to increase the level of communication and cooperation between our financial leasing sales and marketing personnel and our other internal and external experts who provide advisory and other services. In particular, in the provinces where we intend to establish representative offices, we will have sales and marketing personnel and our other internal and external experts working at the same offices to encourage seamless sharing of market and industry intelligence and participate in joint marketing initiatives.

We intend to further enhance our risk management capabilities as our financial leasing business continues to grow. We plan to recruit approximately 25 additional risk management personnel by the end of 2015, and continue to focus on optimizing client selection and credit approval procedures.

Continue to develop clinical department upgrade services

We plan to continue to optimize our CVA project solutions and develop other clinical department upgrade services with a focus on growing clinical areas with high demands.

Our strategic cooperation with Sino American Stroke Group and our experience in providing CVA project solutions to hospitals in China enable us to stay at the forefront of advancements in screening and treatment of CVA related diseases, and continue to improve our capabilities. By screening our customer base, we have selected prospective customers to promote our CVA project solutions. We plan to expand both our internal experts team and sales and marketing team to broaden geographic coverage and support our growing number of customers.

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In addition, we plan to replicate our successful CVA project solutions model in other clinical areas such as anesthesia and ophthalmology. Such areas have a strong demand among regional and county level hospitals, which is our key customer base. In addition, as these clinical areas rely on medical equipment for operations, we expect these solutions to create significant cross-selling opportunities with our equipment sourcing solutions and financial leasing business. In particular, for anesthesia solutions, we have identified certain core equipment and have become the exclusive sales agent for one category of equipment in China. In addition, we plan to further strengthen our network of internal and external experts in these clinical areas to develop solutions and strengthen our equipment in-licensing capabilities in these areas. We also intend to expand our sales coverage and leverage our existing customer base to market these new solutions. With these efforts, we anticipate these new solutions will contribute to our future growth.

Explore opportunities to enter into the hospital management business

We plan to enter into the hospital management business by leveraging our experience and expertise in establishing, upgrading and assisting our hospital customers with operation of clinical departments. Specifically, we intend to enter into management agreements to manage hospitals, and share economics with the hospitals based on efficiency improvement and business growth of the managed hospitals that are achieved by our management. The terms of the management agreements are expected to be in line with market practices. We plan to invest a negotiated fixed sum into the relevant hospitals for the purpose of constructing new or upgrading existing medical facilities and/or medical equipment. In return, the hospitals we invest in or their owners will grant us long-term management rights from which we will earn a management fee. Such management fee will be based on a pre-determined formula that ties to the financial performance of the hospitals we manage. We may renew the management agreement after it expires, and if the management agreement is not renewed, the hospital may operate on its own or enter into another management agreement with a third party. As of the Latest Practicable Date, we had not entered into any management agreement with prospective hospital customers, and thus specific arrangements underlying the management agreements are yet to be negotiated with prospective hospitals. We currently intend to enter into management agreements on an arm's-length basis which typically give us and the hospital owner the right to appoint certain members of the executive committee (理事會), participate in the management of the operations of the hospitals, including making decisions on the procurement of pharmaceuticals, medical devices and consumables and medical equipment, and recommend or appoint key senior managers including hospital administrators. The executive committee is typically the main governance body of a public hospital in China, and the day-to-day operations of the hospitals are expected to be delegated to the senior managers of the hospitals so appointed.

We plan to leverage our current customer base and target our regional and county level hospital customers for our hospital management business, as they have a strong demand for engaging third party service providers to improve their operation efficiency or clinical capabilities. See "Industry Overview—Integrated Healthcare Solutions". In particular, we plan to attract hospitals to enter into management agreements leveraging our capabilities in respect of clinical departments (1) in respect of prevalent major diseases and (2) in which we have

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accumulated extensive experience and expertise through the provision of clinical upgrade services. However, to comply with the relevant PRC laws, rules and regulations prohibiting hospitals from subcontracting clinical departments, we anticipate that we will enter into management agreements with hospitals to manage the entire hospitals and not limited to specific clinical departments. See “Regulation—Relevant Policies about Hospital Management”. As advised by our PRC Legal Advisor, given that (1) the relevant hospitals subject to our proposed hospital management business will be operated and managed jointly by us and the hospital owner via an executive committee, and (2) according to the Opinions on the Promotion of the Development of Health Services Industry issued by the State Council promulgated by the State Council in September 2013, enterprises are encouraged to make investments in medical services industry in the form of entering into management agreements with hospitals, the foregoing proposed arrangement should be deemed as cooperation between the relevant hospitals and us in the management of such hospitals rather than department subcontracting. Before we enter into any agreements to provide hospital management services, we intend to consult our PRC legal advisor and local competent governmental authorities to ensure our compliance with relevant laws, rules and regulations.

In order to further develop our expertise in hospital management, we plan to build up a team of hospital management experts, and enter into strategic cooperation with reputable international hospital management companies to jointly serve hospital customers and develop services. We expect that our hospital management business will not only bring in additional revenue, but also create cross-selling opportunities with our other services, including financial leasing services, equipment sourcing services and clinical department upgrade services.

We expect that the investment cost in relation to establishing our hospital management business will be fully funded by net proceeds from the Global Offering, which is currently expected to be approximately 15.0% of the total net proceeds. See “Future Plans and Use of Proceeds—Use of Proceeds”.

Develop hospital digitalization services by leveraging our existing customer base and deep industry knowledge

We plan to develop hospital digitalization services to complement our existing integrated services by leveraging our large hospital customer base and extensive industry expertise. According to Frost & Sullivan, China’s healthcare industry is undergoing rapid digitalization, recording double-digit growth after massive investments from the government and hospitals. Recognizing the demand for digitalization services, we established a designated team with experience in healthcare and information technology industries in the United States.

We recruited a core team of information technology system architects, led by Mr. John Denning in March 2015. Mr. Denning has extensive experience in leading the healthcare information technology function of international healthcare service providers, including Kaiser Permanente. Our information technology team plans to customize, develop and integrate a proprietary information management suite for individual and network of hospitals, which (1) digitalizes, upgrades and updates medical records of patients, (2) provides a platform to process, integrate, store and analyze information from different clinical systems and

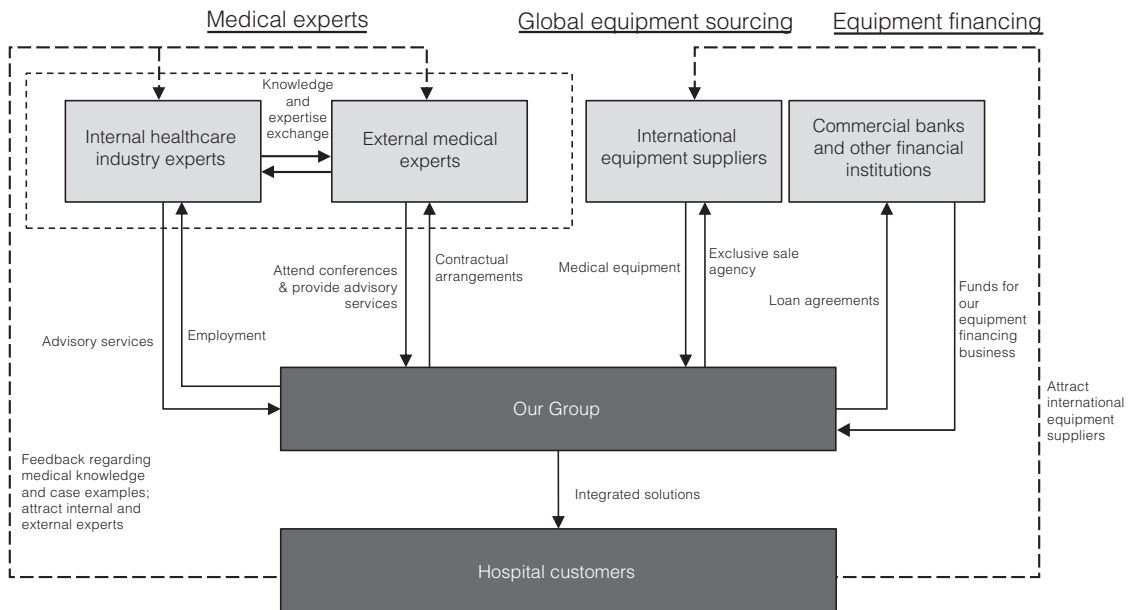
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management systems to support hospitals' daily operations, and with patients' consent, medical records can be shared with other hospitals by our platform, and achieves of EMR functionality, and (3) to the extent permitted by Chinese laws, regulations and regulatory policies, supports statistical analysis across databases of different hospitals within our platform for the purpose of medical research, future clinical applications, population care decision support and predictive analysis. We expect hospitals to achieve significant cost savings, improve the quality of patient care, resource optimization and enhance the efficiency from our hospital digitalization services.

We expect that the investment cost in relation to establishing our hospital digitalization services business will be fully funded by net proceeds from the Global Offering, which is currently expected to be approximately 20.0% of the total net proceeds. See "Future Plans and Use of Proceeds—Use of Proceeds".

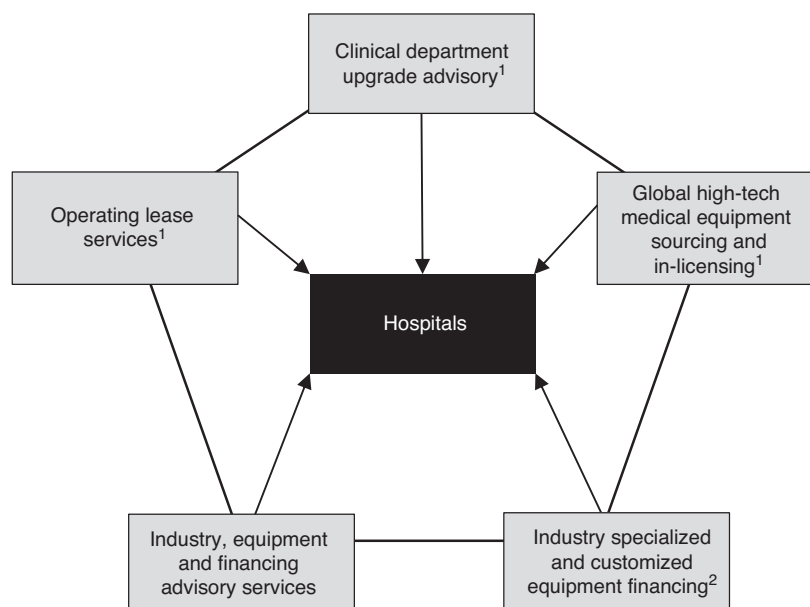
OUR INTEGRATED BUSINESS MODEL

Leveraging our industry knowledge and experience, we have established a distinctive business model. We offer our customers a variety of integrated services, backed by our platform of resources. Our platform of resources is illustrated in the following chart:



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Our integrated services encompass (1) equipment financing, which constitutes the principal component of our business, (2) healthcare industry, equipment and financing advisory services and (3) clinical department upgrade services. Our clinical department upgrade services integrate clinical department upgrade advisory services, medical equipment sourcing services and operating lease services. Our business model is illustrated in the following chart:



-
1. Our clinical department upgrade services integrate clinical department upgrade advisory, global high-tech medical equipment sourcing and operating lease services.
 2. Our equipment financing are provided in the form of financial leasing services.
- *Industry specialized and customized equipment financing:* We have developed industry focused and customized equipment financing to differentiate our services from other equipment financing service providers in China. See “—Our Services and Products—Industry Specialized and Customized Equipment Financing” for a detailed description.
 - *Industry, equipment and financing advisory services:* We offer industry, equipment and financing advisory services to customers typically as part of our integrated services, with a focus on the healthcare industry. See “—Our Services and Products—Industry, Equipment and Financing Advisory Services” for a detailed description of these services.
 - *Clinical department upgrade advisory:* Through our clinical department upgrade advisory services, we provide analysis and advice regarding clinical department upgrades and collaborate with hospital customers to develop and implement phased plans to achieve their desired outcomes. See “—Our Services and Products—Clinical Department Upgrade Services” for a detailed description of these services.

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- Operating lease:* To serve hospital customers who strive to acquire or upgrade medical equipment but lack expertise to operate and manage the relevant clinical department or medical equipment, we provide our operating leases to assist with operation and management and in return receive a pre-determined percentage of profit derived from the medical equipment as rental payments. See “—Our Services and Products—Clinical Department Upgrade Services—Operating Lease” for a detailed description of these services.
- Global high-tech medical equipment sourcing and in-licensing:* We help hospital customers identify and source the most suitable and cost-effective models of medical equipment. To complement and support our global high-tech medical equipment sourcing, we introduced our equipment in-licensing services for our medical equipment suppliers. See “—Our Services and Products—Clinical Department Upgrade Services—Global High-Tech Medical Equipment Sourcing and In-Licensing” for a detailed description of these services.

For each of the services and products that constitutes a component of our integrated services, see “—Our Services and Products”. We are also developing, and expect to offer, hospital digitalization services and hospital management business in the future to enrich and complement our current set of integrated services. See “—Our Strategies”. The following table sets forth a breakdown of revenue from our main services for the periods indicated:

	Year ended December 31,					
	2012		2013		2014	
	Amount	% of total	Amount	% of total	Amount	% of total
	(in thousands of RMB, except for percentages)					
Finance lease income	333,278	54.5%	588,212	59.2%	1,043,888	66.6%
Industry, equipment and financing advisory	239,631	39.2	350,985	35.3	444,859	28.4
Clinical department upgrade services						
Advisory income	9,001	1.5	19,516	2.0	42,830	2.7
Operating lease income	16,941	2.8	19,974	2.0	17,076	1.1
Sale of goods income	12,338	2.0	14,705	1.5	18,425	1.2
Subtotal	38,280	6.3	54,195	5.5	78,331	5.0
Others	4	0.0	13	0.0	438	0.0
Total revenue before business tax and surcharges	611,193	100.0%	993,405	100.0%	1,567,516	100.0%
Business tax and surcharges	(17,867)		(11,947)		(14,834)	
Total	593,326		981,458		1,552,682	

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OUR SERVICES AND PRODUCTS

Industry Specialized and Customized Equipment Financing

To satisfy customers' needs, deepen customer relationships and mitigate pricing competition, we have developed industry focused and customized equipment financing to differentiate our services from other equipment financing service providers in China. In particular, backed by our in-depth industry knowledge, we have developed financing that are tailored to specific hospital customers' financing needs and cash flow projections.

A majority of our revenue is finance lease income derived from our equipment financing provided in the form of financial leasing services. In 2012, 2013 and 2014, our finance lease income was RMB333.3 million, RMB588.2 million and RMB1,043.9 million, respectively, representing 54.5%, 59.2% and 66.6% of our total revenue before business tax and surcharges, respectively. Consistent with our business strategy, we focus our financial leasing services on the healthcare industry. We also cross sell financial leasing services for educational and other projects. See "— Sales and Marketing". The following table sets forth a breakdown of finance lease income by industry during the periods indicated:

	Year ended December 31,					
	2012		2013		2014	
	Amount	% of total	Amount	% of total	Amount	% of total
	(in thousands of RMB, except for percentages)					
Healthcare	280,374	84.1%	496,504	84.4%	703,756	67.4%
Education	30,949	9.3	78,570	13.4	311,018	29.8
Others	21,955	6.6	13,138	2.2	29,114	2.8
Total	333,278	100.0%	588,212	100.0%	1,043,888	100.0%

Our finance leases are usually between three to five years in duration and are generally priced at an interest rate floating at a predetermined spread above a base interest rate. The base interest rate is usually referenced to the PBOC benchmark interest rates and the predetermined spread is negotiated on a case-by-case basis with the specific customer based on its risk profile. See "Risk Management" for the factors we consider in determining a customer's risk profile. Our finance lease contracts typically have monthly, quarterly or semi-annually payment periods. The floating interest rate is typically reset at each payment date based on the then prevailing PBOC benchmark interest rates. There are no regulatory restrictions relating to the maximum or minimum interest rates which we can charge our customers under relevant Chinese laws and regulations.

We leverage the specialized industry knowledge and financial expertise to offer customized equipment financing. As part of our solutions, we help our hospital customers assess their funding needs, future operating cash flow and debt serviceability with the goal of designing customized financing where a customer borrows the appropriate amount of funds necessary for its operations, draws down the finance lease by tranches only as and when needed and repays the finance lease on a pre-determined repayment schedule based on the

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customer's cash flow projections. This lowers the overall funding cost of the customer by minimizing its idle cash and unnecessary borrowings. By providing customized financing to customers, we distinguish ourselves from other financial leasing companies and are able to mitigate pricing competition with them.

We finance our financial leasing business through a combination of bank borrowings and other borrowings. See "Financial Information—Cost of Sales—Interest Expenses".

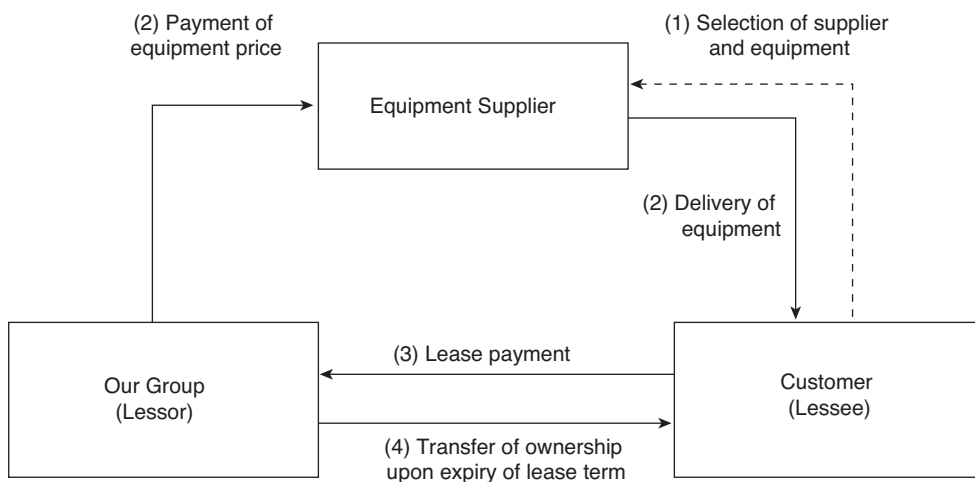
Our finance leases generally cannot be cancelled without our consent during the lease terms. We usually transfer the asset underlying the lease to our customer at a nominal value upon expiry of the lease term. In a financial leasing transaction, we retain the legal ownership of the asset underlying the lease during the lease term. However, the lease contracts are structured such that substantially all of the risks and rewards of ownership are transferred to our customers as the lessees. As a result, the assets underlying the leases are not recorded on our balance sheet. See "Financial Information—Critical Accounting Policies and Estimates" for details.

Types of Finance Lease

We offer two types of financial leasing services: (1) direct finance leases and (2) sale-and-leasebacks.

Direct finance lease

In a direct finance lease, we purchase specific asset from the equipment supplier. We then lease the asset to our customer for use in return for periodic lease payments. A typical direct financial leasing transaction is a tri-party arrangement that involves a lessor, a lessee and an equipment supplier. The following diagram illustrates the relationship among the three parties:

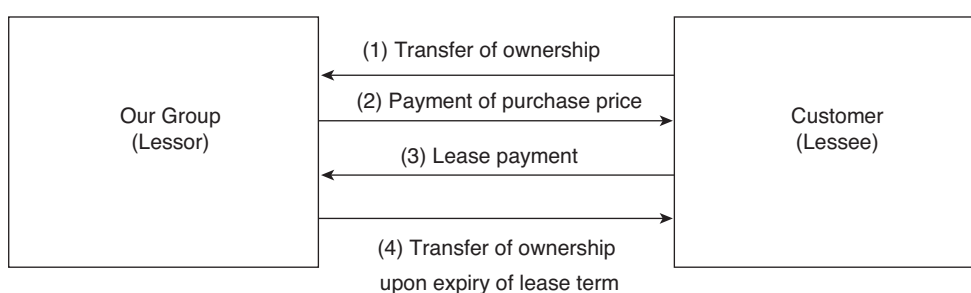


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As of December 31, 2014, we had 286 outstanding direct finance leases, including 281 healthcare projects and five other projects.

Sale-and-leaseback

In a sale-and-leaseback transaction, our customer sells the relevant asset to us for a negotiated purchase price, and we then lease the asset back to our customer in return for periodic lease payments, so that our customer may cover its funding needs and continue to use the asset as a lessee. A typical sale-and-leaseback transaction involves a lessor and a lessee. The following diagram illustrates the relationship among the two parties:



As of December 31, 2014, we had 713 outstanding sale-and-leaseback transactions, including 612 healthcare projects and 101 other projects.

Operational Workflow

We generally implement a six-stage operational workflow for our financial leasing projects. Under this workflow, various risk management measures and procedures are consistently applied to each financial leasing project, which involves active participation and cooperation across various departments to effectively manage our risks. See “Risk Management—Credit Risk Management” for more details.

We sell and market equipment financing primarily through our internal sales and marketing team visiting existing and potential new customers. See “—Sales and Marketing”. As advised by our PRC Legal Advisor, tender processes are only applicable to direct finance leases and not to sale-and-leasebacks. In a direct finance lease, as we act as the financier and not the vendor, we are generally not required to participate in tender processes or be registered on the lists of approved suppliers in order to enter into finance leases with public hospitals or our other customers that are public institutions. As further advised by our PRC Legal Advisor, although PRC laws are silent on whether the financier under a direct financial lease is subject to tender processes, according to our PRC Legal Advisor’s enquiry with the National Development and Reform Commission (which is the authority scrutinizing tender processes), the tender processes are not applicable to financiers under direct financial leases.

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We commence each financial leasing project through careful initial background assessment of the potential customer and project planning. Our financial leasing customers are identified primarily from the following five main sources: (1) customers proactively approached by our sales networks covering 30 provinces and municipalities nationwide; (2) repeat customers; (3) customers who proactively approach us due to brand name recognition or through word-of-mouth referrals; (4) our integrated services customers who have financing needs; and (5) customers referred by our domestic or overseas equipment suppliers and their agents or distributors. For new customers, we mainly target regional and county level hospital customers who are leaders in their geographic areas, and have predictable cash flows with strong growth potential. Each project is assigned to a relevant project manager from our Lease and Consulting Business Department. See “—Customers” for a description of our customer base.

If a potential customer satisfies our initial general background assessment, it will need to submit a comprehensive leasing project application for our review. The application sets forth the financial leasing services that the customer is seeking and its plan and purposes for such services. Upon receipt of an application, our Lease and Consulting Business Department will conduct further discussion with the potential customer, and each of Business Operation Department and our Risk Management Department will independently conduct in-depth and industry-specialized due diligence to assess the risk profile of the customer.

After completing this due diligence process, the Business Operation Department and Risk Management Department will independently prepare detailed written assessment reports, which set out the conclusion of the credit assessment, the proposed credit lines to be extended, the overall project plan and other risk management measures to be taken in relation to the proposed financial leasing project. The assessment reports will also be submitted to our Risk Assessment Committee consisting of our senior management and personnel from the Risk Management Department, Legal Department, Business Operation Department, Internal Control and Asset Management Department, Treasury Department and Lease and Consulting Business Department, for collective review and decision making.

After our Risk Assessment Committee approves the project, our project manager will be primarily responsible for negotiating and finalizing the financial leasing structure and contract terms with our customer based on our internally approved terms and conditions. The financial leasing contracts will also be subject to the review and approvals by our Business Operation Department, Treasury Department, Risk Management Department and Legal Department, respectively. All amendments on the lease contract and the approvals from the aforementioned departments will be recorded in our ERP system for archiving. The approved contracts will then be generated by the ERP system and executed by us in accordance with our contract signing procedures. Members of our Legal Department will accompany our project manager to complete the execution process of the financial leasing contracts. Subsequently, our Lease and Consulting Business Department, Business Operation Department, Treasury Department, Risk Management Department and Legal Department will inspect the satisfaction of all conditions to the transaction and the implementation of risk management measures as required by our Company in the credit assessment and contract approval process. Our financial leasing project will commence after the completion of the above procedures, and our

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Lease and Consulting Business Department, Business Operation Department and Treasury Department will be responsible for follow-on procedures such as making relevant payments, ensuring equipment delivery, completing title registration and adopting insurance policies pursuant to the contract terms.

Throughout the life cycle of our financial leasing projects, our Internal Control and Asset Management Department will adopt a wide range of risk management measures to monitor and manage our project assets and mitigate potential loss. When the finance project terminates, if our customer decides to retain and purchase the leased property, our Treasury Department will be responsible for the final settlement and our Business Operation Department will be responsible for relevant title transfer process.

Industry, Equipment and Financing Advisory Services

We offer industry, equipment and financing advisory services to customers typically as part of our integrated services. We strategically focus our advisory services on the healthcare industry. Our comprehensive advisory services are customized based on the specific needs and requirements of customers, with a focus on industry, equipment and financing perspectives.

Industry advisory

We analyze the competitive landscape of the geographical regions in which our customers operate to determine the solutions that will result in the greatest economic benefit. We analyze existing capabilities and deficiencies in our customers' range of services against the background of its customer base, its competitors in the same region and the prevalence of different types diseases in the region. For the analysis of the customer base, we focus on the geographical areas in which our customers operate to identify unmet demand and growing trends. For the analysis of competitors, we examine existing capabilities and equipment portfolios of competitors serving the same regions to find the most profitable and efficient growth strategy for our customers. For the analysis of prevalence of diseases, we examine statistical data to seek diseases that are underserved and prevalent in the region.

Equipment advisory

Based on our analysis of the industry and financial condition of our customer, if we determine that it is in the interest of the customer to purchase new equipment, we will help our customer identify the most suitable and cost-effective equipment for their consideration. In determining suitability and cost-effectiveness, we will perform breakeven and profitability analyses by forecasting future patient volume and fee income against purchase and operating costs. We also provide practical advice on equipment operation with an objective to increase the utility of the relevant equipment.

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Financing advisory

Our financing advisory service includes the provision of advice on financing options, cash management and operation of purchased or leased assets. Our advanced financial analysis and risk management capabilities allow us to present our customers with an accurate breakdown of the cost and benefit of different methods of financing and the related risk exposures, and the best method to finance and operate equipment to obtain optimal economic gain.

Our industry know-how, equipment expertise, advanced financial analysis capabilities and understanding of customers' needs have enabled us to provide our customers with customized advisory services, which has led to a considerable contribution to our revenue. See "—Pricing" for details on how we charge for our industry, equipment and financing advisory services.

We sell and market industry, equipment and financing advisory services primarily through our internal sales and marketing team visiting existing and potential new customers. See "—Sales and Marketing". In general, the providers of advisory services to public hospitals or government authorities with contractual value above certain threshold amounts are required to participate in tender processes or be registered on the list of approved suppliers. Different threshold amounts are set by local governments in different jurisdictions. As advised by our PRC legal advisor, as we provide integrated services, whether or not a specific advisory contract is subject to tender processes depend on the nature of the integrated services. For example, for integration services that are provided in conjunction with a finance lease, which is not subject to the tender processes, the entire integrated services will not be subject to the tender processes.

In 2012, 2013 and 2014, service fee income from our industry, equipment and financing advisory services was RMB239.6 million, RMB351.0 million and RMB444.9 million, respectively, representing 39.2%, 35.3% and 28.4% of our total revenue before business tax and surcharges, respectively.

Clinical Department Upgrade Services

Capitalizing on our coverage of over 1,000 hospitals and our industry know-how and resources, we have developed our clinical department upgrade services for hospital customers. We have developed, and currently offer, CVA project solutions and operating lease. In 2012, 2013 and 2014, revenue from our department upgrade services totaled RMB38.3 million, RMB54.2 million and RMB78.3 million, respectively.

CVA Project Solutions

Through our strategic cooperation with Sino American Stroke Group, a joint initiative between China and the United States established in 2003 under the support of the Chinese government consisting of a number of leading experts in the field of CVA surgery, we developed our innovative CVA project solutions that integrate awareness promotion and

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marketing support to facilitate the upgrade of CVA capabilities, medical training and support for medical professionals (including doctors and other medical personnel), standard CVA hospital operational procedures and management systems, and medical equipment and related financing. As of the Latest Practicable Date, we had entered into agreements with 55 hospitals customers in 22 provinces in China in respect of our CVA project solutions.

As a first step, we work together with hospital customers to assemble a CVA project team, consisting of a team of medical professionals with different sub-specializations, typically including cardiology, neurology, neurosurgery, medical imaging, endocrinology, biochemical investigation, intensive care unit, anaesthesiology and interventions departments, from within the hospital, or, if necessary, recruit externally, who will be responsible for coordinating with other medical professionals and working together with us to implement the CVA project solutions.

Awareness promotion and marketing support

Our internal and external experts work with hospital customers and the CVA project team to establish an awareness promotion campaign which is targeted at various departments and personnel within the hospital, nearby hospitals and primary healthcare institutions, and the general population within the geographical area. The purpose of the campaign is to educate our audience of the risk of CVA related diseases, the importance of screening and treatment, and our hospital customers' medical capabilities to screen, prevent and treat them, thereby urging potential CVA patients to visit our hospital customers for CVA screening and treatment when needed.

In-hospital education and standard CVA procedure

Working in conjunction with the CVA project team, our internal and external experts hold a series of talks and training sessions for medical professionals within the hospital to raise awareness of the risk of CVA related diseases and relevant diagnosis and treatment methods. The CVA project team also produces a standard CVA hospital operational procedure for all medical professionals in the hospital to ensure consistent and standardized cross-referrals by all relevant clinical departments to CVA related departments for checkup and treatment. See “—Standardized hospital procedures and health record management system” below for a detailed description.

Nearby hospitals and primary healthcare institutions

We implement the following promotion strategies for nearby hospitals and healthcare institutions:

- *Onsite expert conferences:* We invite our external experts to the regions where our hospital customers are located to hold various conferences for medical professionals of other primary healthcare institutions in the regions, so that they will be aware of our hospital customers' capabilities and refer patients to our hospital customers.

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- *Hospitals and primary healthcare institutions:* We help our hospital customers create a plan to visit surrounding hospitals and primary healthcare institutions, often with the CVA projects team, to promote awareness so that these institutions could become the hospital customers' referral channel for CVA related screening and treatments.

General population in surrounding areas

For the general population in the geographical areas our hospital customers serve, we use the following promotional strategies:

- *Public awareness seminars:* Our internal and external experts, along with the CVA project team, hold a number of target-focused seminars in the geographic regions that our hospital customers serve, to raise awareness for CVA related diseases and simultaneously promote our hospitals customers' services.
- *Media and social media promotion:* We support our hospital customers with the formulation of their media campaigns. We provide our hospital customers with plans, materials and templates for local TV, radio, pamphlet and social media promotions. We also host national and international conferences to promote the brand name and capabilities of our hospital customers.

Medical training and support for doctors and medical professionals

We provide the CVA project team of our hospital customers with a phased and systematic training program which involves academic and clinical training aimed at helping our hospital customers establish and enhance CVA related capabilities:

- *Academic training:* Industry leading experts from Sino American Stroke Group provide relevant training, which covers CVA screening, diagnosis and treatment methodology based on the latest international standards and developments.
- *Site clinical training at pilot hospitals:* After the training, members of the CVA project team are sent to our pilot hospitals where we have successfully implemented CVA project solutions for further clinical training for a term of up to six months.
- *External expert onsite guidance:* Once the CVA project team obtains appropriate levels of clinical training, they return to their hospital to see patients under the guidance of our external experts, who make onsite visits to the hospital customers to provide further training and support. Formal training is complete when our experts are satisfied with the knowledge and diagnostic capabilities of the CVA project team.

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- *Follow-up trainings:* We host annual and ad-hoc conferences for our CVA project solution customers to facilitate the exchange of knowledge and experience. International and national experts present cutting-edge developments in CVA related fields and speak about their clinical experience, including precedent cases. Hospitals share their experience in successfully implementing our CVA project solutions. Furthermore, our internal and external experts provide follow-up training and guidance when needed.

Standardized hospital procedures and health record management system

We help our hospital customers design and implement a standardized CVA hospital procedure for the screening and treatment of CVA diseases which integrates various departments of the hospitals. The standardized CVA hospital procedure sets forth CVA risk factors and symptoms to focus on from a multi-department perspective. It also sets forth a standardized procedure and protocol for cross-referral to specific departments for various screening procedures if one department receives a high-risk patient or a patient that exhibits certain CVA disease symptoms.

We assist our hospital customers in establishing a CVA related medical record database and management system for high-risk patients, which tracks the conditions and disease progression of patients and automatically reminds high-risk individuals to follow-up for screening and treatment, which creates ongoing revenue from CVA patients.

Medical equipment and related financing

Based on the standard CVA hospital procedure we develop for our hospital customers, we review their existing equipment inventory and financing capabilities and present a phased CVA related upgrade plan. The upgrade plan includes acquisition of certain core equipment, for some of which we are the exclusive sales agent. We recommend that our hospital customers source screening equipment in the first phase and treatment equipment subsequently. We arrange and coordinate delivery, installation and post-installation inspection of equipment, as well as technical training sessions to ensure that our hospital customers obtain maximum utility from the equipment.

Based on our hospital customers' financing needs, we also cross-sell our equipment financing.

Our CVA project solutions involve cutting-edge medical technology and are built on our extensive industry know-how and abundant industry resources. This differentiates us from our competitors and enhances the recognition of our brand name. As our CVA project solutions require industry know-how, integrated industry resources, and cooperation with external industry experts, we believe these solutions have a higher barrier to entry and promote customer loyalty.

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Operating Lease

To serve hospital customers who want to acquire or upgrade medical equipment but lack the expertise necessary to operate and manage the relevant clinical department or medical equipment, we provide our operating lease to assist with operation and management, and in return receive a pre-determined percentage of profit derived from the medical equipment as rental payments. During the Track Record Period, we entered into three operating leases and had total revenue of RMB54.0 million from our operating lease.

Since we share the profit generated from the medical equipment under an operating lease as the leasing fee, our interest is highly aligned with the hospital customers. As such, in these projects, we typically coordinate with the hospital customers to jointly select the type and model of equipment, recruit and train the relevant medical professionals and formulate standard operating procedures, adopt cost control measures and optimize incentive schemes for medical professionals, with an aim to enhance the operating efficiency of the medical equipment.

During the equipment selection process, we consider numerous factors such as geographical, operational and profitability drivers and conduct additional financial analysis on future revenue generation, operational efficiency and maintenance costs of the medical equipment.

Once the medical equipment is purchased, delivered and installed, we are closely involved in the operation and management of the medical equipment. We assist and help core medical professionals raise their clinical capabilities in order to generate more patient demand for our hospital customers. Our external experts are scheduled to provide onsite training and hold onsite conferences to promote the medical equipment both within the hospital to other departments and to other nearby hospitals, primary healthcare institutions and the general public.

We are heavily involved in formulating incentive schemes for medical professionals and cost control of the medical equipment. We assist our hospital customers with insurance, warranty and other operational matters with the aim of increasing the profitability of the medical equipment.

Our operating leases are between eight to 10 years in duration and usually cannot be cancelled during their term. We charge a pre-determined percentage of the net income generated from the medical equipment as rental repayment on a monthly basis. The net income of the medical equipment is calculated as its gross revenue generated minus the cost of operating and maintaining it. The medical equipment's gross revenue includes all revenue generated by our hospital in connection with the medical equipment, including all service fees charged to patients for diagnostic and treatment and operational fees charged for the usage of the medical equipment.

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For our operating leases, we maintain insurance coverage with designated insurers against damages to the leased equipment and all-liability. We are named as the beneficiary under these insurance policies and allocate the insurance fees to the operation and maintenance cost.

Global High-Tech Medical Equipment Sourcing and In-Licensing

In order to help hospital customers identify and source the most suitable and cost-effective models of equipment, we established our global high-tech medical equipment sourcing services to source medical equipment globally. As of the Latest Practicable Date, our equipment sourcing team had a dedicated team of 27 professionals with medical background.

In 2012, 2013 and 2014, revenue from equipment sourcing was RMB12.3 million, RMB14.7 million and RMB18.4 million, respectively, representing 2.0%, 1.5% and 1.2% of our total revenue before business tax and surcharges, respectively. The following table sets forth a description of our key medical equipment as of the Latest Practicable Date:

Product	Description
SIAS Synchro Dual System C-arm X-ray Unit	Suitable for x-ray examinations, and in particular for radiology, radiography and diagnosis dedicated to traumatology, pediatrics, interventional radiology, peacemaker implantation, operating theatre, intensive care, respiratory system and skeletal frame
Most-Care Blood Pressure Monitoring Equipment	Monitor ambulatory blood signal with pressure sensor; continuous and real-time measurement of invasive systolic pressure, diastolic pressure, dicrotic pressure, heart rate, and thus calculate cardiac output, stroke volume, mean pressure, resistance, dp/dt max, SVV, SPV, DPV, PPV, CCE of hemodynamic parameters

Our equipment sourcing contracts are individually negotiated with our customers, who usually provide full payment of the purchase price before delivery of the medical equipment. The medical equipment purchased is usually subject to a warranty period of one year, which in turn is usually backed by the manufacturer's warranty.

In 2009, to complement and support our global high-tech medical equipment sourcing services, we introduced our equipment in-licensing services for our medical equipment suppliers. To establish global in-licensing capabilities in China, members of equipment sourcing and distribution department team regularly attend major international industry conferences to identify suitable medical equipment for hospitals in China and obtain the capability to help international equipment suppliers register equipment with the CFDA. In addition, through our strategic cooperation arrangements with Genertec America, Inc, Euromapex Import & Export GmbH (歐洲機械進出口有限責任公司) and Genertec Italia S.R.L. (通用技術集團意大利公司), we are introduced to advanced medical equipment technologies and leading international medical equipment suppliers. The provision of value-added equipment registration services provides us with a competitive advantage to attract medical equipment suppliers to appoint us as their exclusive sales agent in China.

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We attract medical equipment suppliers to cooperate with us through our expansive coverage of over 1,000 hospital customers and our medical equipment in-licensing services. As of the Latest Practicable Date, we were the exclusive distributor of six medical equipment suppliers with respect to 19 medical equipment product categories covering a total of 194 medical equipment product models.

SALES AND MARKETING

Sales and Marketing Personnel

We market and sell our services and products primarily through our internal sales and marketing team. We also cooperate with external medical experts on sales and marketing initiatives.

As of the Latest Practicable Date, we had a dedicated internal team of over 200 industry-specialized sales and marketing personnel covering 30 provinces and municipalities in China. We organize our internal sales team by geographical regions, focusing on the healthcare industry. We develop specific sales and marketing strategies and plans for each region, with the overarching principle of providing a customized experience for our customers being viewed as an industry insider. Over 60% of our internal sales and marketing staff has a medical background or relevant healthcare industry experience and is considered to be internal experts. Our internal teams conduct market and consumer research, promote partnership and cooperation relationships with customers, and conduct sales and marketing initiatives with personnel having substantial industry experience.

As of the Latest Practicable Date, we had a network of 220 external Key Opinion Leaders and industry experts with whom we cooperate on sales and marketing initiatives, global equipment sourcing and the development of innovative solutions. As of the Latest Practicable Date, our external experts consisted of 45 state level representatives (國家級委員) who specialize in various fields. These external experts are attracted to us due to our coverage of over 1,000 hospital customers and the resources we can provide to them through our customer base for their own research and career development. Because of their cooperation with us, our external experts can gain access to and conduct certain medical research otherwise unavailable to them. Our internal and external experts work closely to exchange knowledge and experience to enhance the capabilities of each other.

As of the Latest Practicable Date, we had entered into 220 cooperation memoranda of understanding with our external experts. Pursuant to these cooperation memoranda of understanding, the external experts agree to cooperate with us in respect of the development and execution of our projects by providing development, advisory and training support. Actual terms and consideration for cooperation are determined on a case-by-case basis.

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When necessary, our external experts assist our internal sales and marketing staff on promotional trips to various hospitals, especially in respect of the promotion of our clinical department upgrade services. They also provide training to our hospital customers based on their area of specialization and clinical experience, and provide clinical advice for inclusion into our advisory reports. Our external experts are usually invited to speak at our various annual and ad-hoc conferences. Such cooperation complements our specialized and integrated services to customers, and enhances our industry know-how. We typically reimburse travel and accommodation expenses incurred by our external experts in connection with their cooperation with us, and we do not otherwise compensate our external experts as they benefit from the cooperation primarily to further their research and career developments.

We also cross sell financial leasing services for educational and other projects. As part of our cross-selling efforts to maximize revenue from a single customer, when we engage in discussions with a local government with respect to selling our healthcare services to the public hospitals under its supervision, we typically would also explore the potential demand of other public institutions also under its supervision for our financial leasing services. As a result of these efforts, we from time to time identify business opportunities from such cross-selling efforts and enter into finance leases to finance educational and other projects. However, as we strategically focus on the healthcare industry, we do not intend to build up designated sales and marketing teams for these other industries.

Sales and Marketing Initiatives

We market our different services, products and solutions through different initiatives. We cross-sell our services and products to new customers and existing customers through various means, both directly and indirectly, such as site-visits, words-of-mouth, media, academic conferences and other conventional means of marketing that aim to introduce our services and solutions to potential customers.

Our sales and marketing networks for our equipment financing and industry, equipment and financing advisory services have wide geographical coverage throughout China. We are able to leverage this extensive network to cross-sell and perform focused marketing for our other services. For example, once an opportunity arises in respect of our equipment financing or advisory services business, we notify our internal experts to analyze whether there is any cross-selling potential for our medical equipment sourcing services or clinical department upgrade services. Once cross-selling potential has been identified, our internal experts visit the potential customer to market and sell these services.

For our clinical department upgrade services, we have developed a nationwide sales and marketing plan to identify, create and fulfill demand for such solutions. We proactively identify potential hospitals that may need or may be interested in our clinical department upgrade services and market specifically to them. For example, we adopt a systematic approach to prescreen our current customers and other hospitals based on (1) the hospitals' existing medical professionals, equipment and technology for CVA related departments and (2) potential demands for CVA treatments, including the demographic coverage of the hospitals and composition of residents. Once we identify target customers for CVA project solutions, in

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addition to our traditional marketing channels, we market our CVA project solutions by inviting the management of the hospitals to our CVA project solutions conferences and sending experts to the hospitals to educate the management on the importance and potential benefits of adopting our CVA project solutions. We also invite the management of the hospitals to visit pilot hospitals for which we have implemented CVA project solutions.

CUSTOMERS

Our customer base consists mainly of hospitals and other healthcare institutions, local governments, and educational and other public institutions. Our customers also include medical equipment suppliers for whom we act as exclusive sales agent and provide equipment in-licensing services. As of December 31, 2014, our sales and marketing team covered a customer base of over 1,000 hospitals, 741 of which generated revenue for us during the Track Record Period.

In 2012, 2013 and 2014, our five largest customers accounted for 11.0%, 8.2% and 7.7%, respectively, of our total revenue before business tax and surcharges, respectively, and our largest customer accounted for 2.6%, 1.9% and 1.9% of our total revenue before business tax and surcharges, respectively. None of our Directors, their close associates or any Shareholders (which to the knowledge of our Directors owns more than 5.0% of the Shares) has any interest in any of our five largest customers during the Track Record Period. In 2012, 2013 and 2014, three, two and two of our five largest customers were hospital customers while the others were local governments with which we cooperate on educational projects.

Our hospital customer base consists mainly of regional and county level hospitals whose revenue is greater than RMB100 million. In 2012, 2013 and 2014, 95.9%, 96.6% and 97.2% of our customer base measured by number, respectively, were regional and county level hospitals, and 50.9%, 53.5% and 56.7% of our customer base, respectively, had revenue of greater than RMB100 million. In 2014, 31.6% of our hospital customers were repeat customers to whom we had provided services in previous years. The following table sets forth a breakdown of our hospital customers by type for the periods indicated:

	Year ended December 31,					
	2012		2013		2014	
	number	% of total	number	% of total	number	% of total
Regional and County level hospitals	471	95.9%	602	96.6%	720	97.2%
Others	20	4.1	21	3.4	21	2.8
Total	<u>491</u>	<u>100.0%</u>	<u>623</u>	<u>100.0%</u>	<u>741</u>	<u>100.0%</u>

In addition, there were five international medical equipment suppliers to whom we had provided equipment in-licensing services as of the Latest Practicable Date.

Customers of our educational and other projects are primarily (1) local governments with whom we cooperate on educational projects and (2) universities.

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OUR SUPPLIERS

Our suppliers consist primarily of financial institutions that provide us with loan facilities and other forms of financing and medical equipment suppliers.

Our Funding Suppliers

Our external funding suppliers include three of the “big four” commercial banks, national joint stock commercial banks and other commercial banks in China and foreign invested banks in China, from which we have obtained bilateral loans, syndicated loans and other types of financing. During the Track Record Period, we also obtained financing from our related parties. See “—Funding Capabilities” for details of our funding sources and capability.

Our Equipment Suppliers

We act as the exclusive sales agent in China for certain medical equipment suppliers. We acquire medical equipment from them for on-sale to hospital customers in connection with our medical equipment sourcing. We typically enter into exclusive distributorship agreements with our medical equipment supplier. Pursuant to the agency agreements, the equipment suppliers typically entrust us with a fee to register and obtain CFDA approvals in respect of certain medical equipment and appoint us as the exclusive sales agent for their medical equipment in China. The exclusive distributorship agreements are usually for a term of five years with an obligation on both parties to renew, subject to fulfilment of a minimum purchase quantity from the completion of CFDA registration.

In 2012, 2013 and 2014, our five largest suppliers accounted for 59.8%, 40.3% and 31.2%, respectively, of our total cost of sales, while our largest supplier accounted for 33.9%, 16.4% and 10.7%, respectively, of our total cost of sales. All of our five largest suppliers are funding suppliers from which we borrowed loans to fund our financial leasing business. In each of 2012, 2013 and 2014, the largest supplier was GT-HK, a connected person under common control of GT-PRC. In 2012, GT-PRC Finance, another connected person under common control of GT-PRC, was also one of the five largest suppliers. See “Financial Information — Liabilities — Interest-Bearing Bank and Other Borrowings” for details. Other than these connected persons, none of our Directors, their close associates or any Shareholders (which to the knowledge of our Directors owns more than 5.0% of the Shares) has any interest in any of our five largest suppliers during the Track Record Period.

HEALTHCARE SOLUTIONS DEVELOPMENT

We have been developing and marketing our clinical department upgrade services since 2011. We plan to continue to develop new clinical department upgrade services, hospital digitalization services and hospital management services, to complement our current integrated healthcare services offerings. See “—Our Strategies”. Our Research and

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Development Department conducts in-depth analysis of the market and industry and carries out feasibility studies on exploration of new business and the relevant business expansion proposals. Based on its findings, our Research and Development Department makes recommendations on strategic direction to the Board and the senior management.

To implement the development of new solutions, we usually (1) have our internal experts cooperate with external industry experts to jointly development solutions, (2) cooperate with third party associations, such as cooperating with Sino American Stroke Group in developing our CVA project solutions or (3) build up a designated team of experts, such as our efforts to recruit healthcare information technology experts to develop hospital digitalization services.

We entered into a cooperation agreement with Deer Bangsheng, a partner of Sino American Stroke Group, in respect of our CVA project solutions. Pursuant to the terms of the CVA project cooperation agreement, Deer Bangsheng provides advisory services to us with respect to the establishment of CVA departments in specified hospitals, including a feasibility analysis and required medical equipment and personnel allocation.

Deer Bangsheng also provides training services to hospital personnel in respect of screening, diagnosis and treatment of CVA related diseases (including CVA surgery), helps hospitals establish a CVA disease and capability promotion campaign, and performs CVA surgeries by its designated professionals at our request for a fixed fee. The cooperation agreement requires that all trainers and professionals must be members of the Sino American Stroke Group.

FUNDING CAPABILITIES

We have established strong and diversified funding capabilities and have prudently managed our balance sheet by maintaining our gearing ratios at a level that we consider to be reasonable. In order to achieve a relatively high return on equity while prudently managing risks associated with a relatively high gearing ratio, we strategically focus our financial leasing business on the fast-growing, anti-cyclical healthcare industry, particularly on regional and county level hospital customers who are generally supported by preferential government policies in China. See “Industry Overview”. In addition, we have also established a prudent risk management system to manage our credit risk, interest risk and liquidity risk. See “Risk Management”. We have been able to secure sufficient equity and debt financing to match the expansion of our business.

As a result of our funding strategies, we have maintained diversified funding channels, and have established a well-balanced portfolio of funding sources including bank loans, syndicate loans, secured bonds and borrowings from related parties so as to diversify our funding sources and maintain a capital-adequate and cost efficient funding base.

During the Track Record Period, we entered into interest swaps to manage our interest rate risk exposure. For details, see “Financial Information—Derivative Financial Instruments”.

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Bank Borrowings

We have been able to maintain good relationships and establish strategic cooperations with major domestic and foreign-invested financial institutions in China. Since 2006, we have developed strong relationships with 56 domestic and foreign-invested financial institutions from which we have obtained loan financing (including syndicated loans), with typical banking facilities having a tenure ranging from one to five years. See “Financial Information—Liabilities—Interest-Bearing Bank and Other Borrowings” for a detailed description of our loan financing. As of December 31, 2014, those financial institutions included, among others, three of the “big four” commercial banks, national joint stock commercial banks and city commercial banks and foreign-invested banks. During the Track Record Period, our bank borrowings accounted for 46.5%, 72.8% and 65.6% of our total bank and other borrowings as of December 31, 2012, 2013 and 2014, respectively.

The interest rates for the domestic bank loans we undertake usually float and refer to the PBOC base interest rate for loans with the same term. The interest rates for our U.S. dollar debt are usually floating with reference to LIBOR and our offshore RMB debt have a fixed rate or refer to CNH HIBOR. Our bank borrowings are either unsecured or secured by our lease receivables and certain borrowings are guaranteed by our Shareholder, Genertec Group.

In 2012, 2013 and 2014, we incurred RMB71.9 million, RMB173.3 million and RMB347.8 million, respectively, on interest expenses for bank borrowings.

Secured Bonds and Asset Backed Securities

In January 2014, we issued secured bonds in the principal amount of RMB1,000,000,000 with a coupon rate of 5.7% per annum, followed by an additional issue in the principal amount of RMB600,000,000 with the same coupon rate. The proceeds from the secured bonds were used to fund our working capital and business expansion in China. We secured our payment obligations under the bonds by pledging our lease receivables and the capital interests in Uni-One, one of our subsidiaries. In addition, the Genertec Group issued a keepwell deed for the benefit of the bondholders in relation to the offering. The secured bonds are listed and traded on the Stock Exchange. In 2014, we incurred RMB62.5 million on interest expenses in relation to the RMB bonds offered.

In May 2015, we issued asset-backed securities with an aggregate principal amount of RMB1,141.9 million. See “Financial Information—Interest-Bearing Bank and Other Borrowings”.

In June 2015, we filed an application for the issuance of short-term financing bonds and medium-term bills with an aggregate principal amount of RMB1.35 billion in the inter-bank market in China. See “Financial Information—Interest-Bearing Bank and Other Borrowings”.

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Borrowings from Related Parties

During the Track Record Period, we obtained borrowings from related parties, primarily companies under common control of GT-PRC, our Controlling Shareholder. We entered into three credit agreements with Genertec Capital in May 2008, May 2010 and May 2011 in respect of loans in the principal amount of US\$50,000,000 each. We also obtained a revolving facility from GT-PRC Finance in November 2014 in the amount of RMB500,000,000. We repaid all borrowings from related parties in full in June 2015.

By adhering to our funding strategies, we have increased the proportion of our non-current bank and other borrowings to more adequately match the maturity profile of our assets. See “Financial Information—Liquidity and Capital Resources—Liquidity and Net Current Liabilities” for details. As of the Latest Practicable Date, none of our lenders had claimed or threatened to claim default against us under the financing agreements during the Track Record Period and we had not breached any of the agreements in a way that could result in any event of default during the Track Record Period.

COMPETITION

We are subject to competition in the fragmented integrated healthcare solutions industry. We compete primarily with respect to brand name, quality of products and services, customization of products and services, convenience of comprehensive offering and customized sales and marketing capabilities. See “Industry Overview” for details.

The healthcare services industry is fragmented, with a number of small or less specialized market participants in the fast growing industry. Our competitors are mainly the top five largest integrated solutions providers and other market participants in or entering the market. We believe our comprehensive product offerings, specialized industry knowledge and existing customer relationships with our coverage of over 1,000 hospitals provide us a significant competitive advantage over competitors. According to Frost & Sullivan, we are the largest integrated healthcare services provider in China in terms of revenue in 2014. We believe we are a leading service provider of clinical department upgrade services in China, as evidenced by our CVA project solutions being the only one of their kind in China to our knowledge. See “Industry Overview—Integrated Healthcare Solutions” for details.

Our equipment financing, provided in the form of financial leasing services, compete primarily with other financial leasing companies that engage in China’s medical equipment financial leasing sector. In particular, we compete directly with other major MOFCOM-approved financial leasing companies, including International Far Eastern Leasing Co., Ltd., the largest MOFCOM-approved financial leasing company in China, in the medical equipment financial leasing sector. International Far Eastern Leasing Co., Ltd. has a larger business scale than us. However, due to our distinctive integrated business model and our significantly higher business focus on the healthcare industry among the top 10 MOFCOM-approved financial leasing companies, we believe we are able to differentiate our services from those of other MOFCOM-approved financial leasing companies., As a result, in

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2012, 2013 and 2014, our finance lease income grew at a CAGR of 77.0%, and we had an increasing net interest spread of 2.64%, 2.80% and 2.93%, respectively. We believe we have a number of competitive advantages compared to our competitors. See “—Competitive Strengths” for details.

PRICING

We price each of our services and products based on market demand, pricing power, and value added to customers. We also take into consideration whether a product or service is sold as a part of an integrated services in determining our pricing.

The yield on our lease assets is determined by our funding cost and risk premium through the assessment of the credit risk involved. Factors we consider include the customer’s industry and reputation, existing debt position, operating cash flows and the projected cash flows to be generated by the leased equipment. We also consider overall return based on the range of services we provide to the same customer. In addition, a majority of our finance leases adopt floating interest rates, priced at a predetermined spread over a base interest rate. The base interest rate is usually referenced to the PBOC benchmark interest rates. Therefore, fluctuations in the PBOC benchmark interest rates also affect our average yield. However, as a majority of our bank and other borrowings also have floating interest rates, fluctuations of our average yield as affected by market interest rates are largely offset by fluctuations of our average cost of bank and other borrowings, which are also largely driven by market interest rates. In 2012, 2013 and 2014, average yield on our lease receivables was 8.70%, 8.45% and 8.70%, respectively, reflecting our increasing pricing power, and the effect of the implementation of value-added tax. See “Financial Information—Consolidated Statements of Profits or Loss—Revenue—Finance Lease Income”.

Our industry, equipment and financing advisory fees are determined primarily based on (1) the nature and estimated term of services; (2) our business relationship with the customers and (3) the importance of the customers to our long-term strategy. Therefore, we do not have a fixed fee rate for charging our customers for our advisory services.

We price our clinical department upgrade services based on overall return, taking into consideration (1) the complexity of the services and the scarcity of the value-add services we provide, (2) the value that our services bring to our hospital customers, (3) cross-selling opportunities for our other services and (4) the cost of our provision of services. Therefore, we do not have a standard fee for our clinical department upgrade services and price our services on a case-by-case basis.

INFORMATION TECHNOLOGY

Our information technology systems are important to our business operations, transaction processing, quality control, risk management, customer services and financial management. We have adopted a number of advanced information technology systems, including an ERP

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System, customer relationship management system, financial leasing business management system and fully digitalized financial management system, each of which enhances the efficiency and effectiveness of our services and further strengthens our risk management and financial management capabilities. We upgrade these systems from time to time.

As of the Latest Practicable Date, our information technology team consisted of eight highly trained professionals with extensive knowledge and experience in information technology, which manages our information technology systems and supervises implementation of information technology related rules and measures. We have also formulated and implemented a series of internal rules to regulate information system governance measures, procedures and tools, inspections of our internet environment and equipment maintenance, and information safety strategies, anti-virus protection and Internet controls.

INSURANCE

As of December 31, 2014, we maintained a range of insurance that cover the fixed assets underlying our leases. In connection with our financial leasing business, we maintain asset insurance for the assets underlying our leases to cover any loss or damage to such assets during the lease period. The insurance premiums are generally paid in accordance with the terms of the finance lease contract where either we or our customer will bear the cost of the insurance premium, but we are usually the beneficiary of the insurance. In 2012, 2013 and 2014, the expenses we incurred for these insurance policies were RMB1.0 million, RMB1.7 million and RMB2.9 million, respectively. In line with industry practices, we did not maintain credit insurance for our lease receivables.

Our Directors believe that our existing insurance policies are sufficient to cover the risks that we may be exposed to with regard to the loss or damage we may encounter in our business operations and are consistent with industry practices in China. Although there can be no assurance that such insurance will be sufficient to protect us against all contingencies, we believe that our insurance protection is reasonable in view of the nature and scope of our operations. During the Track Record Period, we did not submit any material insurance claims, and we did not experience any business interruptions which had a material adverse effect on our business or financial position.

EMPLOYEES

We believe we owe much of our success to our people. Therefore, we strive to build and maintain a strong team of employees. Our recruiting policy emphasizes the importance of attracting competent employees through a combination of competitive salary incentives, on-the-job training and opportunities for development. We have, on occasion, recruited temporary employees directly or through labor dispatching agencies for short-term positions. As of the Latest Practicable Date, we had a total of 371 employees, including 350 full-time

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employees, 14 dispatched employees and seven project workers. Most of our employees are located in Beijing. The following table sets forth the breakdown of our full-time employees by function as of the Latest Practicable Date:

	<u>Number</u>	<u>% of total</u>
Business Operations and Development	232	62.5%
Strategy and Solutions Development	12	3.2%
Operation Control and Risk Management	56	15.1%
Finance and Treasury Management	34	9.2%
Senior Management and Administration	37	10.0%
Total	<u>371</u>	<u>100.0%</u>

In 2012, 2013 and 2014, we incurred employment benefit expenses of RMB67.1 million, RMB111.0 million and RMB151.4 million, respectively, representing 11.3%, 11.3% and 9.8% of our revenue during those respective periods.

We believe we have a high quality work force with specialized industry expertise, with over 80% of our employees holding bachelor's degrees and above and over 45% holding master's degrees and above as of December 31, 2014. Over 30% of our total employees have a medical background or healthcare industry experience.

We did not experience any strikes or significant labor disputes which materially affected our operations during the Track Record Period, and we believe we have maintained good relationship with our employees. As of the Latest Practicable Date, we had not established any labor union.

Training and Development

We place significant emphasis on staff training and development. As our staff will be called upon to provide integrated healthcare service to customers, we place great importance on the training of our newly recruited employees in various areas, including finance, law, internal control and risk management. We also provide healthcare related training to our healthcare industry staff.

We continue to invest in education and training programs for our existing employees with a view to constantly and consistently improve their skills and knowledge. The workplace training program is customized based on our employees' experience and work requirements. Upon completion of relevant training, our employees are required to undertake and pass an examination administered by us to demonstrate their mastery of the training materials.

We provide our employees with both internal training led by our management and department heads and external training by expert trainers. Our goal is to ensure that our employees are armed with sufficient skills and knowledge to be productive in their respective areas of employment in order to maintain our competitive edge.



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Employee Benefits

We have established effective employee incentive schemes to align the remuneration of our employees with their overall performance and contribution to our Group, and have established a merit-based remuneration awards system.

In accordance with applicable Chinese laws, we have made contributions to social security insurance funds (including pension, medical insurance, work-related injury insurance, unemployment insurance and maternity insurance plans) and housing funds for our employees. We also provide other additional insurance plans for our employees such as additional medical insurance for individuals and groups and employees' injuries insurance. As of the Latest Practicable Date, we had complied with all statutory social insurance and housing fund obligations applicable to us under Chinese laws in all material aspects.

INTELLECTUAL PROPERTY

As of the Latest Practicable Date, we had applied for registration of 13 trademarks, including  and , in China and Hong Kong. Our Directors are not aware of any challenge by any third parties against our use of such trademarks in conducting our business. As of the Latest Practicable Date, we were also the registered owner of 12 domain names, including our corporate website www.universalmism.com.

PROPERTIES

Owned Properties

As of December 31, 2014, we did not own any properties. As a result, we are exempted from compliance with the requirement of including a property valuation report under Chapter 5 of the Listing Rules and section 38(1) of the COWUMPO. Pursuant to Rule 5.01A of the Listing Rules, if the book value of the property interests that do not form part of a listing applicant's property activities are below 15%, the prospectus will be exempted from compliance with the requirement of including a property valuation report. In respect of the requirements under section 38(1) of the COWUMPO and paragraph 34(2) of the Third Schedule to the COWUMPO, similar exemption are also available under section 6(2) of the Companies (Exemption of Companies and Prospectuses from Compliance with Provisions) Notice (Chapter 32L of the Laws of Hong Kong).

Leased Properties

As of December 31, 2014, we were leasing 15 premises. As of the Latest Practicable Date, our landlords had not obtained or produced to us proper building ownership certificates for two of these premises, which are used as staff dormitories. Our PRC Legal Advisor has advised us that the failure of the landlords to obtain or produce to us proper building ownership certificates may affect the validity of our lease agreements; however, as of the Latest Practicable Date, we had not received any notices from any third parties concerning the title of our leased properties that may affect our current occupation.

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As of December 31, 2014, we had not registered the lease agreements for 15 premises. These leased properties are used as offices and staff dormitories. Our PRC Legal Advisor has advised us that non-registration of the lease agreements for the relevant premises will not affect the validity of the lease agreements, but we may be subject to sanctions imposed by the Chinese authorities due to such non-registration. We may also be ordered by competent Chinese authorities to make rectification for any non-registration within a specified period of time and may be subject to a fine in an amount ranging from RMB1,000 to RMB10,000 per non-registration in the event of any delay in making such rectification. In addition, the failure to register these lease agreements may result in third parties challenging our interests in the respective leased premises. As of the Latest Practicable Date, we were not subject to any administrative penalties by the relevant housing administrative authorities in China due to our failure to complete the lease registration procedures, and we were not aware of any challenges from third parties on our interests under the lease agreements that might affect our current occupation.

Our Directors believe that the defective title and non-registration of the lease agreements are not crucial to our business and will not have a material impact on our overall operations because (1) the premises concerned are used as offices and staff dormitories, and our businesses rely primarily on our skilled workforce, not the locations of our offices and staff dormitories; and (2) there are numerous comparable premises for lease in proximity convenient for relocation if required. We believe the rental we pay under the relevant lease agreements are in line with the market rate with or without the title defects. Our Directors estimate that the relocation will result in additional cost of no more than RMB150,000 and it may take up to no more than two months to complete the relocation.

During the Track Record Period and up to the Latest Practicable Date, all of our leased premises, with or without title defects, were in good working and safety condition.

ENVIRONMENTAL COMPLIANCE

As an integrated healthcare services provider, we are not subject to any significant environmental regulation in any of the business segment we engage in. As a result, we did not incur environmental compliance cost during the Track Record Period and we expect our future annual costs in relation to environmental compliance to be nil or immaterial.

APPROVALS, LICENSES AND PERMITS

As advised by our PRC Legal Advisor, during the Track Record Period and up to the Latest Practicable Date, we had obtained all the requisite licenses, permits and approvals from the relevant regulatory authorities for our operations in China and all of them are in force as of the Latest Practicable Date. For further details on the requisite approvals, licenses and permits, see "Regulation".

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LEGAL PROCEEDINGS AND COMPLIANCE

Legal Proceedings

We are involved, from time to time, in legal proceedings arising in the ordinary course of our operations. A majority of these legal proceedings involve claims initiated by us to recover payment of lease receivables, or to enforce our rights under financial leasing agreements with our customers. As of the Latest Practicable Date, we were involved in only one ongoing legal proceeding with a financial leasing customer in the shipping industry involving a claim in the amount of RMB1.3 million. The customer initiated the legal proceeding in April 2012, claiming that we wrongfully repossessed a ship underlying the finance lease for its failure to make lease payments.

Except as disclosed above, as of the Latest Practicable Date, we were not aware of any other litigation, arbitration or claim of material importance against us or our Directors, and no litigation, arbitration or claim of material importance was known to our Directors to be pending or threatened by or against us or our Directors, that would have a material adverse effect on our financial condition or results of operations.

Non-Compliance Matters

In order to manage the risk of non-compliance by our employees with anti-corruption laws, rules or regulations, we have put in place the following internal control measures:

- Our employees are prohibited from offering, requesting for or receiving any personal gains from our customers. Any offers of personal gains to our employees or their family members by our customers or prospective customers must be reported to the management. These guidelines are set out in clear terms in our employee manuals. Minor breaches of these guidelines will result in an official warning while material and repeated breaches will result in termination of employment and other legal consequences in accordance with applicable laws. During the Track Record Period and as of the Latest Practicable Date, we were not aware of any breaches of these guidelines by our employees.
- We have in place a reporting hotline and mail box whereby our employees can report any non-compliance of such anti-corruption guidelines by other employees on an anonymous or real-name basis. During the Track Record Period and as of the Latest Practicable Date, we did not receive any report of non-compliance of our anti-corruption guidelines by our employees.
- We host regular training sessions to promote anti-corruption culture and awareness and discuss other compliance matters.

During the Track Record Period and as of the Latest Practicable Date, with our continuous efforts, we did not have any non-compliance with the law, rules and regulations in China and Hong Kong which, in the opinion of our Directors, is likely to have material adverse effect on our business, financial condition or results of operations.

RISK MANAGEMENT

Overview

As an integrated healthcare services provider, our risk management strategy is to establish appropriate risk management system and relevant measures based on our business model. We are also committed to improving risk management system and measures in accordance with the demands of our growing businesses. The overall goal of our risk management is to maintain, optimize and implement comprehensive and robust risk management and control so as to ensure the security of our operations and assets, and to safeguard the long-term interests of our Shareholders.

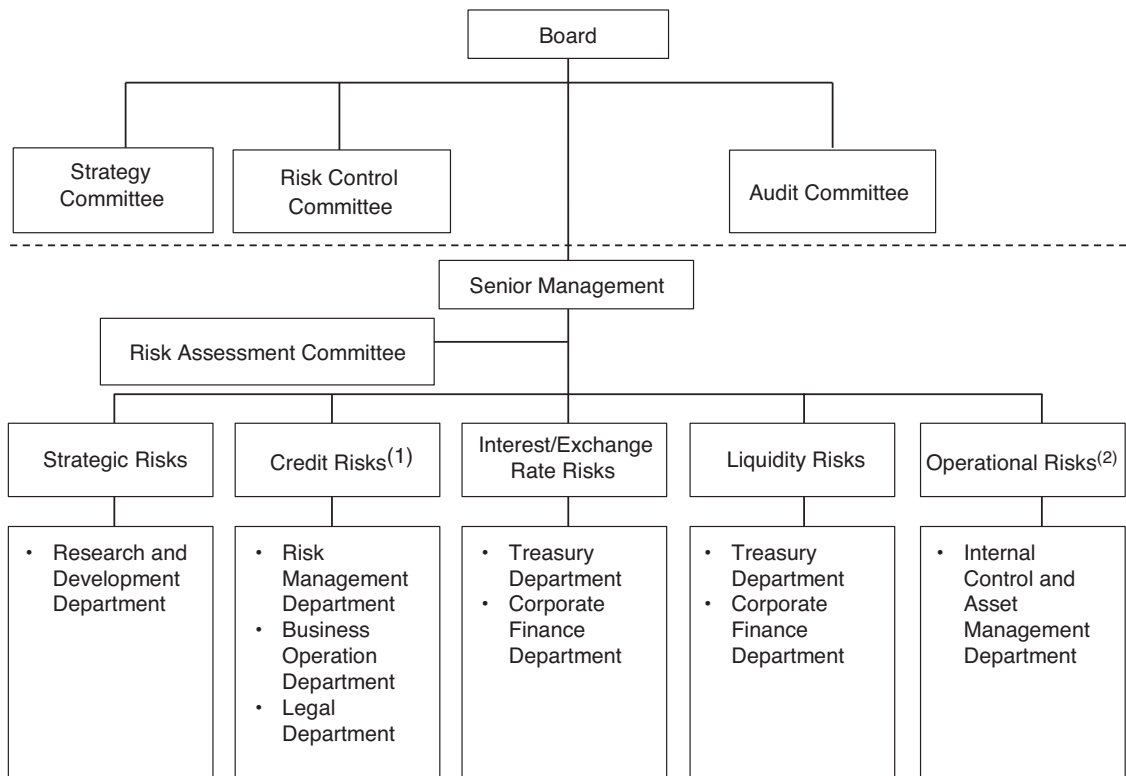
Risk Management Framework

With the expansion of our business, we have established a comprehensive risk management framework in response to various emerging risks. Our Board is the highest decision-making authority within the hierarchy of bodies responsible for internal risk management. The Board performs its risk management function with the aid of the Strategy Committee, the Risk Control Committee and the Audit Committee which handle different aspects of risk management. Our senior management, consisting of our CEO, CFO and Deputy General Managers are responsible for overseeing our overall risk management functions. Our Risk Assessment Committee conducts detailed risk evaluation and assessment, and reports its findings to the senior management. All of our internal departments are accorded with correspondent risk management responsibilities in relation to their respective functions.

We face risks associated with our business model, including strategic risk, credit risk, market risk, liquidity risk and operational risk. With the guidance from the Board, the specialized committees under the Board's supervision and our senior management, a few of our departments perform different risk management functions. Our Research and Development Department is mainly responsible for management of the risks associated with our business strategies, our Risk Management Department, Legal Department and Business Operation Department are mainly responsible for managing credit risks, our Treasury Department and Corporate Finance Department are mainly responsible for managing interest rate, exchange rate and liquidity risks, our Internal Control and Asset Management Department is mainly responsible for managing operational risks, and our Lease and Consulting Business Department and Information Technology Department also perform various other important functions of risk management.

RISK MANAGEMENT

The diagram below illustrates our risk management framework:



Note:

- (1) Our Treasury Department, Internal Control and Asset Management Department and Lease and Consulting Business Department also play an important role in the management of credit risk.
- (2) Our Business Operation Department, Legal Department, Information Technology Department and all the other departments also play an important role in the management of risks associated with our business operations.

Board of Directors

Our Board is the highest decision-making authority within the hierarchy of bodies responsible for internal risk management. It is responsible for approving proposed risk management strategies and policies, monitoring the effectiveness of our risk management system and evaluating the degree of risk exposure faced by our Company. Our Board performs its risk management function with the aid of various specialized committees under it (including the Strategy Committee, the Risk Control Committee and the Audit Committee).

Strategy Committee

Our Strategy Committee, established in April 2013, currently consists of Mr. Jiang Xin, Mr. Zhang Yichen and Mr. Guo Weiping. The primary role of the Strategy Committee is to conduct research into, and provide recommendations on, the feasibility of our medium to long-term development strategies, material business decisions, investment plans and investment earnings forecasts.

RISK MANAGEMENT

Risk Control Committee

Our Risk Control Committee, established in April 2013, currently consists of Mr. Su Guang, Mr. Liu Zhiyong and Ms. Peng Jiahong. The primary role of the Risk Control Committee is to conduct research into, and provide recommendations on, our risk management system in response to the risks relating to our operation and business development. It also monitors the overall implementation of our risk management procedures and measures.

Audit Committee

Our Audit Committee, established in April 2013, currently consists of Mr. Li Yinquan, Mr. Chow Siu Lui and Mr. Liu Xiaoping. The Audit Committee assists the Board to examine our Company's accounting policy, evaluate our Company's financial position and financial reporting procedures, monitor the external audits on the financial statements and our internal auditing functions and oversee our Company's internal control procedures. It also reviews financial statements and relevant materials, and provides recommendations in relation to financial reporting.

Senior Management

Our senior management consists of Mr. Guo Weiping (CEO), Ms. Peng Jiahong (CFO and Deputy General Manager), Mr. Yang Jingyao (Deputy General Manager) and Mr. Chen Jianying (Deputy General Manager). It oversees our overall risk management by formulating and implementing risk management policies and procedures. The CEO, who reports to the Board, is responsible for the overall management of our business operations, including risk management. Our senior management is also responsible for implementing risk management strategies, policies and measures as directed by the Board.

Risk Assessment Committee

Our Risk Assessment Committee, established in June 2009, currently consists of the CEO, the CFO, General Manager of the Risk Management Department, General Manager of the Legal Department, General Manager of the Business Operation Department, General Manager of the Internal Control and Asset Management Department, General Manager of the Treasury Department and General Manager of the Leasing and Consulting Department. The Risk Assessment Committee is responsible for reviewing, revising and approving the reports prepared by various risk management departments. It also facilitates coordination and cooperation among various departments with risk management functions and provides recommendations for the ongoing improvement in relation to our risk management measures, procedures and policies and their implementation.

RISK MANAGEMENT

Research and Development Department

Our Research and Development Department is a core component of our strategic risk management. It conducts in-depth analysis of the market and industry and carries out feasibility studies on exploration of new business and the relevant business expansion proposals. Based on its findings, the Research and Development Department makes recommendations on strategic direction to the Board and the senior management.

Risk Management Department

Our Risk Management Department is central to our risk management capabilities. It is responsible for formulating and implementing risk management rules and guidelines, and ensures compliance with such rules through active participation in day-to-day operations. It also conducts due diligence and credit assessment on proposed projects, and provides recommendations to our Risk Assessment Committee regarding risk management matters. Through involvement in the conducting of feasibility studies, it is also able to lend valuable input for the ongoing improvement of the risk management system.

Business Operation Department

Our Business Operation Department primarily manages risks associated with our transactions. Its functions, which is facilitated by cooperation with the Risk Management Department and the Legal Department, include ensuring the compliance of regulatory requirements of relevant transactions, assessing the price of medical and other equipment and formulating the commercial proposals of financial leasing projects, which include proposals relating to delivery of equipment, insurance policies and the obtaining of relevant approvals and licenses.

Treasury Department

Our Treasury Department is the core department which handles the management of the risks that we face in relation to liquidity, interest rates and exchange rates. It (1) supervises and analyzes changes in our Company's assets and liabilities, liquidity position, solvency and cost, (2) ensures our liquidity adequacy, (3) assesses the impact on interest and exchange rate changes on our financial positions and (4) tracks and analyzes our progress towards the achievement of its financial goals.

Corporate Finance Department

Our Corporate Finance Department is responsible for formulating and implementing financing plans based on the demands of our business operation and development. It also involves in the management of corporate funds, and performs risk management functions relating to interest rate and exchange rate risks.

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Internal Control and Asset Management Department

The Internal Control and Asset Management Department is primarily responsible for formulating and implementing rules and guidance on internal control. It evaluates and monitors our management policies and internal control procedures, and provide appropriate recommendations to enhance our internal control mechanisms and to contribute to the ongoing improvement of our corporate governance. It also adopts a wide spectrum of measures to conduct internal audits on our business processes, corporate governance and other matters, so as to identify the deficiencies in the design or implementation of our internal control procedures, and to promulgate and implement relevant improvement measures. It also oversees our asset management by conducting ongoing monitoring of the collection of rental payment and making regular inspections on and onsite visits to our customers and their leased property. In addition, it manages and categorizes our assets in accordance with their respective risk profile and adopts appropriate management measures accordingly.

Lease and Consulting Business Department

Our Lease and Consulting Business Department performs our sales and marketing functions. It conducts due diligence of potential customers and proposed leasing projects, submits reports and recommendations to the Risk Assessment Committee, and oversees various aspects of projects including the maintenance of customer relations, the collection of rental payments and the management of asset value.

Legal Department

Our Legal Department is responsible for our overall legal risk management. Its functions include conducting legal and regulatory compliance review on project proposals and providing relevant legal advice, managing the legal risks relating to the drafting, consultation, approval and execution of transaction documents and assisting the Internal Control and Asset Management Department in handling any commercial or legal disputes arising from or related to our transactional projects.

Information Technology Department

Our Information Technology Department constructs, inspects and maintains our information technology system, which provides technical support to our operations and risk management functions. It also provides specialized support to the establishment and operation of our Medical Information Services Department.

STRATEGIC RISK MANAGEMENT

Our Company adopts a prudent approach towards the management of strategic risks. As we are an integrated healthcare services provider, we constantly seek and explore opportunities for business development and expansion. The senior management regularly collects relevant market and industry information, and adapts our business model to remain competitive. When areas of potential growth are identified, we will establish a specialized

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group headed by the Research and Development Department to conduct feasibility studies. We will also conduct a comprehensive review on our internal resources for such expansion and taking into account the relevant measures to manage various risks when formulating the project proposals, and weigh the impact of those risks on the long-term development of our business. After careful consideration of the financial and management resources we would need for expansion, the relevant risks involved, and the views of each of the Committees, a proposal would be submitted for the Board for evaluation, approval and implementation if satisfactory.

Under our current business model, we are constantly on the lookout for industries which are less cyclical, with high growth potential and sufficient cash flow, in order to seek new industries suitable for the provision of our services. The senior management strives to stay abreast of the latest developments and will submit proposals for the entry into or exit out of industries that experience significant change (depending on whether they are favorable) for the approval of the Board.

CREDIT RISK MANAGEMENT

Financial leasing services constitute an important and integral part of our integrated healthcare services. In 2012, 2013 and 2014, the revenues generated from our financial leasing services represent 54.5%, 59.2% and 66.6% of our total revenues before business tax and surcharges, respectively. The primary risk we are exposed to in relation to our financial leasing business is the credit risk, which derives from our customers' default in payment or unwillingness to honor their obligations. As we focus on customers in the healthcare industry, which enjoys financial and policy preferential treatment from the governments, and therefore we believe that the overall credit risk we face is substantially mitigated. We have adopted an industry-specialized and prudent risk management strategy, and established a centralized risk management system that imposes risk management measures in each stage of financial leasing services and risk management responsibilities on each personnel who is involved in the financial leasing services. Equipped with our risk management system, our non-performing asset ratio was 1.00%, 0.91% and 0.83% as of December 31, 2012, 2013 and 2014, respectively.

We have adopted the following strategies and measures to achieve our overall risk management goal:

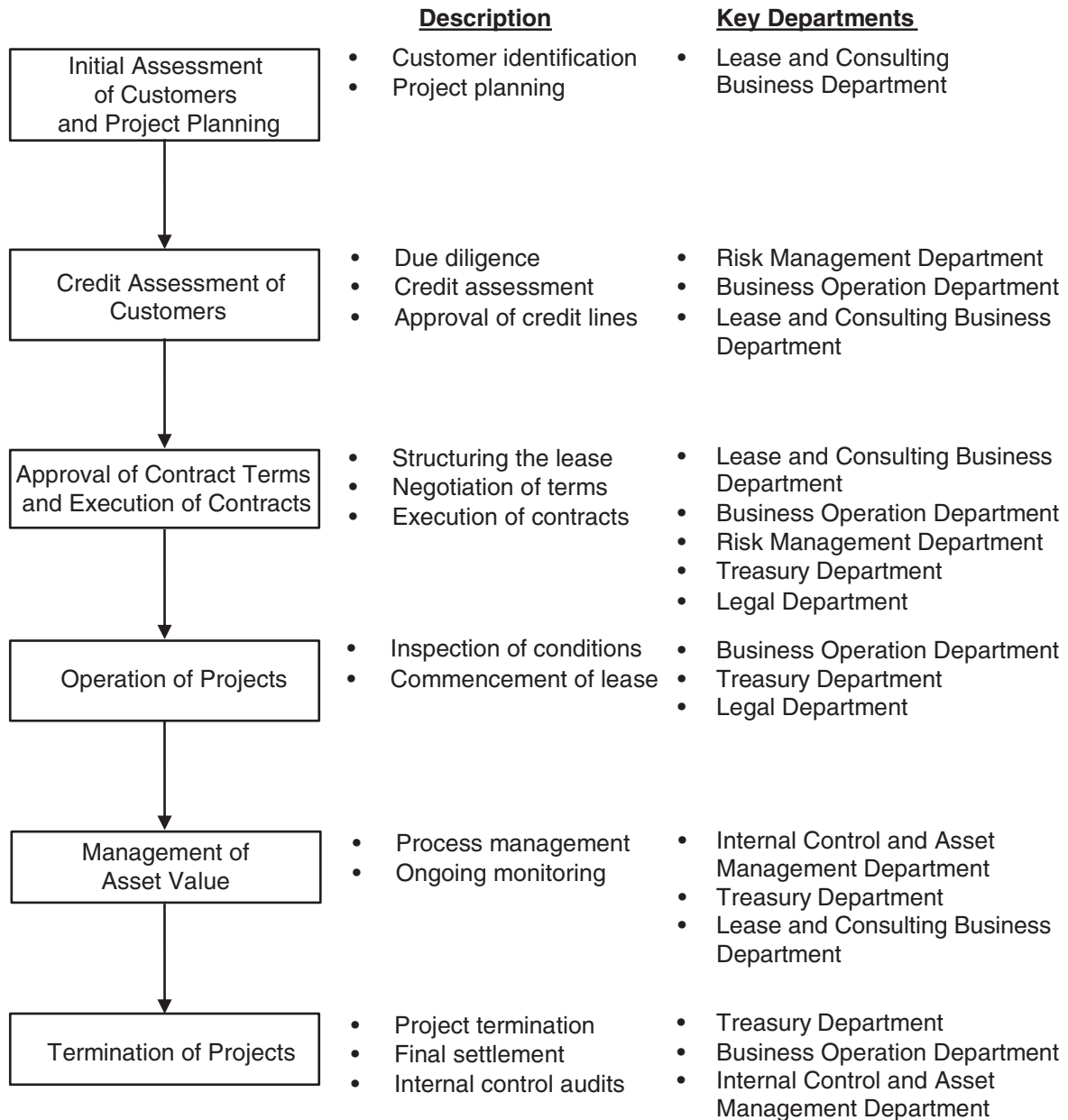
- strategically focusing on industries with high growth potential, strong cash flows and low cyclicity, in particular, the healthcare industry, to improve our overall financing risk profile;
- implementing a centralized risk management system where all the risk management policies, credit approval procedures and credit approval criteria are set by the Risk Management Department, which ensures the consistent functioning of our risk management system;

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- establishing an independent risk management system to ensure the integrity of the system;
- applying our in-depth industry know-how accumulated from the provision of integrated healthcare services to customers to:
 - select valuable and lower risk customers; and
 - provide financing services based on customers' operation cash flows and financial positions;
- optimizing our credit approval model based on our extensive customer base and our industry know-how; and
- cultivating a risk management culture that each personnel involved in each stage of financial leasing services has a strong risk management awareness and clear risk management responsibilities.

RISK MANAGEMENT

The diagram below illustrates the risk management in the key stages of our financial leasing projects:



RISK MANAGEMENT

Initial Assessment of Customers and Project Planning

We established a set of stringent risk management procedures in our customer intake process. With respect to each industry we serve, we have developed differentiated customer selection criteria based on the specific industry characteristics. These criteria typically involve:

- an assessment of potential customers' main sources of revenue, scale of operations, debt structure and stability of cash flow within the particular industry;
- an assessment of potential customers' standing within the industry, competitive advantages, client base and industry qualifications; and
- an assessment of the operating and credit histories of potential customers.

For repeat customers, we closely monitor the development of their business and consider if there has been any adverse change in their business prospects which might result in a failure to meet our stringent criteria. We will also consider the credit record of these customers in previous projects. We will consider all these factors before determining whether to continue working together with them.

Our Leasing and Consulting Department will assess potential customers based on the above criteria to identify prospective customers who meet the requirements. Once identified, the Leasing and Consulting Department will submit project recommendations and proposals to our Company.

Credit Assessment of Customers

We conduct credit assessment and approval of our customers based on our established customer credit assessment criteria. For each potential financial leasing project, we adopt a comprehensive due diligence process to collect customer information. We then assess the creditworthiness of each customer and consider the proposed project through the application of our established industry-specialized credit rating model. Based on the findings, we will approve credit facilities to our customers in accordance with our credit policy.

Due Diligence on Customers. We collect customer information through various channels as a basis for assessment of a customer's creditworthiness. Information relating to the customer's reputation, client base, growth trend, existing liability condition, operating cash flows and the projected cash flows to be generated by the leased equipment will be collected for the purpose of evaluating the creditworthiness of the potential customer as well as the viability of the proposed project.

Our project manager from the Lease and Consulting Business Department will conduct on-site visits and discuss with the management of the potential customers. Our project manager will also collect and verify potential customers' qualifications, financial statements, operating data, contracts and other important information and submit a report for the Risk Management Department to proceed with further due diligence.

RISK MANAGEMENT

Each of our Risk Management Department and Business Operation Department will conduct independent due diligence at customers' premises to verify the accuracy of certain information in the report provided by the Lease and Consulting Business Department and to assess the credit risk of the proposed project. Members of our Risk Management Department and Business Operation Department will carry out on-site inspections, including interviews of key personnel, observations of business operations and reviews of financial statements, bank statements and contractual information of the customers, inspection of the premise for the leased property and verification of the property to be leased. This will give us a firm grasp of the customers' financial systems, business management systems, internal control systems and operations, allowing us to ascertain the customers' motive to enter into a finance lease. Members of the Risk Management Department and Business Operation Department will also perform independent due diligence in the form of interviews with the customers' suppliers, banks and clients, and independently verify the information provided on bank statements invoices and contracts.

The information obtained in the due diligence process will be documented and regularly updated in our ERP system, file management system and project files. Each of our Risk Management Department and Business Operation Department will independently prepare risk assessment reports, thereby ensuring the completeness of the due diligence process.

Credit Assessment. Based on the information obtained in the due diligence process, we conduct a credit assessment to determine the credit rating of our customers. Through the use of our established industry-specialized credit rating model, we are able to give due consideration to a customer's ability to repay a loan, its usage of the funds and its future development prospects and thereby determine the amount of funds to advance.

Customers from the medical industry constitute our main customer base. Most of the public hospitals we work with are Grade II and above, and we impose stricter requirements upon non-public hospitals. We assess the credit profile of hospital customers on the basis of factors such as their regional ranking, annual revenue, revenue per employee, annual growth rate in the past three years, creditworthiness with financial institutions, assets-liability ratio, rent coverage ratio, beds utilization rate, amount of annual outpatients, and mandatory payment ratio. Based on these factors, we rate the credit profile of our hospital customers by Grade A, Grade B or Grade C, and accordingly determine the level of credit available to them.

We also have a number of educational projects. We assess the credit profile of the relevant customers based on multiple factors of the relevant educational institutions, such as growth rate of newly registered students, employment rate of graduates, academic achievements, credit records in financial institutions, asset-liability ratio and cash flow budget, etc. Upon considering the above factors, we rate the credit profile of our school customers by Grade A, Grade B or Grade C, and accordingly determine the level of credit available to them.

We also assign self-assessment criteria for customers from other industries (e.g. the water industry). In general, we tend to give priority to state-owned or state-controlled water utility companies. We will also consider a customer's industry experience, operation and financial status, population within the residential area or the number of enterprises within the

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industrial district served by the customer, status of comprehensive water supply network, water consumption, the need for filtration treatment of sewage water, capacity to supply water and filter sewage water, the terms and conditions for the customer to obtain right of management for water industry, government permissions for proposed leasing project, investment size, technology adopted by the project and compliance for environment-protection requirements. We also require drawing up and implementing an appropriate guarantee scheme for a proposed leasing project of the water industry to effectively reduce the credit risk of the project.

Credit Approval. Based on our credit assessment, our Risk Management Department will prepare a written project plan and assessment report with information relevant to the following, including, without limitation, the credit line and its limit, arrangements in the project phase, security measures and other suggestions. The report will also include the customer's data profile, main commercial terms and results for credit rating of the proposed project, with an emphasis on the main risk factors of the project and risk management recommendations made by the Risk Management Department. The report will then be submitted to the Risk Review Committee for review and approval. We have implemented a centralized credit and authorization system to grant a credit line. The examination and approval for the credit of each project are subject to review and approval by our Risk Assessment Committee consisting of our senior management and personnel from our Risk Management Department, Legal Department, Business Operation Department, Internal Control and Asset Management Department, Treasury Department and Lease and Consulting Business Department. They will review the project plan with the ERP system, and the Risk Assessment Committee will provide recommendations for the appropriate credit line, preconditions for payment and guarantee measures.

Approval of Contract Terms and Execution of Contracts

Upon receipt of approval for credit extension from the Risk Management Committee, the Leasing and Consulting Department will finalize the lease structure and negotiate the terms of the lease contract with our customers. Terms of the lease contracts must fulfill relevant requirements provided by the Risk Evaluation Committee during the stage of credit approval. Based on the approval from the Risk Assessment Committee and after finalizing the conditions to the transaction with our customers, our Lease and Consulting Business Department will adopt an appropriate standardized contract template and draft relevant terms. The lease contracts will be subject to the review and approvals by our Business Operation Department, Treasury Department, Risk Management Department and Legal Department, respectively. All amendments on the lease contract and the approvals from the aforementioned departments will be recorded in our ERP system for archiving. The approved contracts will then be generated by the system, executed by us in accordance with our procedures for the execution of contracts. At least two members from each of the Leasing and Consulting Department and Legal Department will present the contracts to the customers and complete the execution of the contracts.

Our Lease and Consulting Business Department, Business Operation Department, Treasury Department, Risk Management Department and Legal Department will inspect and ensure the satisfaction of all conditions to the transactions and the implementation of appropriate risk control measures. The project will only commence after the completion of the above procedures.

RISK MANAGEMENT

Operation of Projects

Upon the execution of the leasing contracts, we will commence the operation of our financial leasing projects. Pursuant to the terms of the leasing contracts, our Lease and Consulting Business Department, Business Operation Department and Treasury Department will be responsible for making the relevant payments, procuring the delivery of equipment, and completing the title registration procedures for and maintaining proper insurance policies on the leased equipment. After making the relevant payments, our Treasury Department will commence the computation of rental payments and collection procedures, and issue notices to our customers. Our Legal Department also performs significant roles in the management of legal risks throughout the operation of our projects.

Management of Asset Value

We apply risk management measures to monitor the quality of our asset portfolio, the assets underlying our leases and the efficiency of our credit assessment workflow. These measures are integrated into our continuing asset management efforts with the following key features:

Regular monitoring of asset portfolio. We regularly monitor the quality of our asset portfolio and the assets underlying our leases by conducting the following procedures:

- *Monitoring of overdue lease receivables.* We establish a comprehensive asset value management mechanism where our Treasury Department, Lease and Consulting Business Department as well as the Internal Control and Asset Management Department will constantly monitor the collection of rental payments from our customers. For projects with overdue lease receivables, we will identify the reasons for the default and the possible recovery source and timeframe. Depending on the magnitude of such default, we will adopt a variety of measures to collect the overdue receivables. Through such process, we also proactively collect data to facilitate our classification of projects with overdue payments and management of impaired assets.
- *On-site customer visits.* We have established policies and procedures in relation to on-site visits of our customers. Through such on-site visits, we aim to maintain and enhance our communication with our customers and to explore cross-selling opportunities. Based on our customers' conditions, we will formulate an annual on-site visit plan and our Lease and Consulting Business Department and Internal Control and Asset Management Department will be responsible for carrying out such on-site visits so as to inspect the business development and financial conditions of our customers on a continuing basis. We establish standards and procedures for such on-site visits based on the nature of our customers' business, and we will prepare written reports on such on-site visits. We will then conduct analysis on such reports and formulate recommendation for improvement on a quarterly basis.

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- *Material event reporting procedures.* We have established a material event reporting procedure to closely monitor the occurrence of material adverse events to our customers. If any material event occurs in terms of industry, operations and management, or creditworthiness of the lessee, the equipment underlying the lease agreement, or security for the lease which may adversely affect the payment of future lease receivables, such event will need to be reported to our senior management and the Board.

Regular Assessment of asset quality and updating of rating. Our Internal Control and Asset Management Department adopts a migration model to classify our relevant receivables and assets of our financial leasing projects. Under this categorization procedure, our assets are divided into five categories, namely “pass”, “special mention”, “substandard”, “doubtful” and “loss”. The last three categories of assets are considered high risk assets. We apply a series of criteria in determining the classification of each of our assets, which focus on a number of factors, including (1) the customer’s ability to make lease payments, (2) the customer’s payment history, (3) the customer’s willingness to make lease payment, (4) the collateral provided for the lease, and (5) the possibility of legal enforcement in the event of delinquent lease payment. We closely monitor the asset quality by focusing on the aforementioned factors, and we will reclassify such assets and adopt responsible measures to mitigate against potential impairment when necessary. We have also established concrete management measures for making relevant provision for impairment to the extent such impairment is reasonably envisaged.

Mitigation against loss. To mitigate potential losses, our Internal Control and Asset Management Department will be responsible for developing and implementing a recovery plan for our impaired assets.

- *Offsetting of lease receivables.* In order to minimize the impact of any default in lease payments, we have established a controlled procedure to allow for offsetting lease receivables against our payables to a defaulting customer (such as refundable deposits).
- *Disposal of assets underlying our leases.* If necessary, we may dispose assert of our financial leasing projects at an appropriate price, including by way of releasing the equipment to another qualified customer which is entitled to our credit facilities or by way of other disposal plans including sale of the equipment. We did not suffer any loss from disposal of repossessed equipment during the Track Record Period.

Termination of Projects

Our financial leasing projects will terminate upon the full performance of the leasing contract. If our customers elect to retain and purchase the leased equipment from us, our Treasury Department is responsible for the final settlement of the purchase payments and the issuing of relevant payment receipts, and our Business Operation Department will be responsible for the relevant title transfer procedures.

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In addition, our Internal Control and Asset Management Department will conduct regular or ad hoc audits on each stage of our business process in accordance with our internal control rules and guidelines, so as to monitor the compliance with such rules and guidelines throughout the process of each financial leasing project. Our Internal Control and Asset Management Department adopts a wide spectrum of measures to conduct such internal audits including face-to-face interviews, review and inspection of files and records and onsite visits and inspections. If our Internal Control and Asset Management Department identifies any deficiency in the design or implementation of our internal control procedures during the aforementioned internal audits, it will report such findings as well as its recommendation on rectification measures to our senior management and the Board.

MANAGEMENT OF INTEREST RATE AND EXCHANGE RATE RISKS

We face interest rate and exchange rate risks. We are exposed to interest risk, which is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Our exposure to the risk of changes in market interest rates relates primarily to our interest-bearing bank and other borrowings and lease receivables. Exchange rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in foreign exchange rates. Our exposure to the risk of changes in foreign exchange relates primarily to the operating activities of our Company (when receipt or payment is settled using a currency that is different from the functional currency).

We have established a mechanism for the management of interest rate and exchange rate risks and have developed measures to manage and monitor interest rate and exchange rate risks. Our Financial Management Department and Financing Department are responsible for identifying, measuring, monitoring and reporting interest rate and exchange rate risks and taking corresponding measures to minimize losses caused to our Company.

Management of Interest Rate Risks

A principal part of our Company's management of interest rate risk is to monitor the sensitivity of projected net interest income under varying interest rate scenarios (simulation modelling). Our Company aims to mitigate the impact of prospective interest rate movements which could reduce future net interest income, while balancing the cost of such risk mitigation measure.

In respect of financing obtained from domestic banks, the interest rate risks that we face are relatively limited as our assets and liabilities are mainly based on floating interest rates. The finance lease income we collect from lessees and the financing interest expenses we pay to banks are all linked to the benchmark lending rate of the PBOC during the comparable period. The limited interest rate risks primarily arise from the difference in the duration of our assets and our liabilities.

The interest rate of our U.S. dollar-denominated overseas borrowings is generally based on the floating interest rate linked to LIBOR, the interest of RMB-denominated overseas borrowings is generally based on the floating interest rate linked to HIBOR. The fluctuation of

RISK MANAGEMENT

LIBOR and CHN HIBOR exposes us to various interest rate risks. In order to minimize the interest rate risks, we generally enter into interest rate swap contracts with banks for US\$-denominated overseas borrowings of more than one year to keep LIBOR-linked floating interest rates to a fixed value. If necessary, we may also enter into interest rate swap contracts with banks to keep CHN HIBOR-linked floating interest rates to a fixed value.

Management of Exchange Rate Risk

The exchange rate risk exposes us to losses that we may suffer due to the currency mismatch between assets and liabilities. We have established a monitoring and management mechanism for exchange rate to continuously monitor the exchange rate comparison of different foreign currencies and exchange rate comparison of the same foreign currencies so as to provide effective analysis for the management of exchange rate risks. Moreover, we will take various measures based on exchange rate analysis to achieve the management of exchange rate risk, including, among other measures, adjusting the loan structure, entering into currency swap transactions when appropriate, and repaying foreign currency borrowings in advance.

We mainly carry out our businesses in Renminbi. Our main businesses are exposed to limited foreign exchange risk, since (1) most of our assets and liabilities are denominated in RMB; and (2) the elapse of time between the signing of contracts and settlements is limited with respect to our provision of medical equipment business, and such amount is very small as a percentage of our total assets. The main exchange rate risk we face is from overseas U.S. dollar-denominated loans. We closely monitor the fluctuation of RMB against U.S. dollars. We will also comprehensively consider the currency structure of outstanding borrowings and incremental borrowings and financing costs caused by exchange rate movements, forecast the potential exchange losses by analyzing the exchange rate movements and lock costs by adopting the exchange rate hedge tools. We may also repay foreign currency borrowings in advance.

LIQUIDITY RISK MANAGEMENT

Liquidity risk is the risk that funds will not be available to meet liabilities as they fall due. It may arise from mismatches in amounts or duration with regard to the maturity of financial assets and liabilities. We manage our liquidity risk through daily, monthly and quarterly monitoring with the following objectives: maintaining the stability of the leasing business, projecting cash flows and evaluating the level of current assets and liquidity of us, maintaining an efficient internal fund transfer mechanism.

Our Treasury Department is a liquidity risk management department responsible for developing, implementing and evaluating relevant system, monitoring relative maturities of our assets and liabilities and providing guidance for other departments to manage liquidity risk on a daily basis. Our Corporate Finance Department is in charge of formulating and implementing our financing plan and cooperating with Financial Management Department to manage liquidity risks. We provide funds for our leasing business mainly through banks and other loans. We have established cooperative relationship with several domestic and foreign financial

RISK MANAGEMENT

institutions. With various financing sources such as bank borrowings, syndicated loans, corporate bonds, medium-term bills, short-term financing bonds and asset securitization, we carry out financing to maintain a diversified and cost-effective funding base and diversify the risk of capital source. We manage liquidity primarily by monitoring the maturity of our assets and liabilities to ensure that we have enough capital for our liabilities when they fall due. Since the durations of most of our financing leasing projects range from three to five years, we request that the maturity of most of our interest-bearing liabilities have similar ranges.

We have also implemented other systems, including annual analysis for the matching of assets and liabilities, monthly warning analysis for working capital, weekly financing report and daily capital report, and controlled the timing of borrowings and new project execution based on the changes in the amount of maturing liabilities vis-a-vis our available funds. Through daily changes of our account balance and expected collection of rental in ERP system, we monitor the real-time status of our working capital. We carry out warning analysis on a monthly basis. If the analysis shows that our working capital reaches the limit of risk warning, we will adopt corresponding measures to make reasonable arrangement of financing plan to meet our working capital needs. We conduct monthly warning analysis on the basis of comprehensive analysis for daily report made within that month. Our daily report includes detailed pertinent information, including the expected capital need in the coming months.

OPERATIONAL RISK MANAGEMENT

Operational risk results from inadequate or failed internal control procedures, human errors, fraud, information technology system failures or external events. The principal objective of our operational risk management is to effectively identify, evaluate, monitor and manage our operational risk to minimize associated losses. Our Internal Control and Asset Management Department is responsible for establishing our operational risk management framework as well as establishing rules and procedures for mitigating operational risk. Each of our business departments will assess the relevant operational risk, and is responsible for the implementation and ongoing improvement of our operational risk management policies and procedures.

We have implemented the following measures to monitor and control our operational risk and strengthen our operational risk management:

- establishing integrated internal control and risk management systems where we are able to identify various risks, formulate and improve our internal control policies, and implement, monitor and improve various responsive risk control measures throughout our business operations;
- overseeing and ensuring the compliance with established project operation manuals throughout the business process by way of regular and *ad hoc* project audits;
- establishing and implementing a risk management system where each of our business departments is actively involved with cross-check functions throughout the business process, so as to ensure the comprehensiveness and completeness of our risk management;

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- establishing an inspection system combining “on-site and off-site” and “regular and *ad hoc*” examinations so as to identify, monitor and detect risk factors and red flags of risk management in the course of our business operations;
- developing risk management tools for information technology, integrating our internal systems into our information technologies applications and constantly upgrading the information technology systems to provide reliable support for the business operations;
- formulating and adopting standard commercial contracts for our business operations, and implementing a comprehensive review and approval mechanism for contracts with terms that are deviated from the standard business contracts, whereby we also continue to refine our classification of our commercial contracts and to apply the standardized terms to a wider range of transactions;
- regularly reviewing, assessing and adjusting our established internal control procedures and risk management systems in response to the development of our internal and external business process as well as the regulatory requirements.

RELATIONSHIP WITH THE CONTROLLING SHAREHOLDERS

OVERVIEW

Immediately after completion of the Global Offering (assuming the Over-Allotment Option is not exercised), GT-HK and CGCI-HK will hold 34.50% and 3.75% of the enlarged issued share capital of our Company respectively. GT-HK is wholly owned by GT-PRC by itself and through Paryocean. CGCI-HK is wholly owned by GT-PRC through CGCI-PRC. After the Listing, GT-PRC, CGCI-PRC, GT-HK, CGCI-HK and Paryocean will continue to be the Controlling Shareholders.

BACKGROUND OF GT-PRC

GT-PRC was established in March 1998 as a state-owned enterprise supervised by the SASAC. The principal business of GT-PRC comprises five major segments, namely, equipment manufacturing, trade and engineering contracting, pharmaceutical industry, technical services and consultancy, and construction and real estate. GT-PRC has two subsidiaries which are currently listed on the Shanghai Stock Exchange:

- China Meheco Co., Ltd. (中國醫藥健康產業股份有限公司) (“China Meheco”, stock code: 600056). Currently, China Meheco (including its subsidiaries and the Entrusted Companies (as defined below)) is mainly engaged in the production and sales of pharmaceuticals, distribution and direct sales of pharmaceuticals and medical devices, and trade agency for pharmaceuticals and medical devices. See “—Entrusted Companies of China Meheco” for more details of the Entrusted Companies.
- China Automotive Engineering Research Institute Co., Ltd. (中國汽車工程研究院股份有限公司) (“CAERI”, stock code: 601965). Currently, CAERI is mainly engaged in the research and development and consulting on automobiles, automotive testing and appraisal, and manufacturing of critical components for automobiles and railway transportation.

As of the Latest Practicable Date, GT-PRC, directly and indirectly, held 55.05% of the issued share capital of China Meheco and 67.05% of the issued share capital of CAERI.

Entrusted Companies of China Meheco

In order to reduce or avoid competition between China Meheco and GT Group Pharmaceutical Holdings Co., Ltd. (通用技術集團醫藥控股有限公司, “GT Pharmaceutical Holdings”, a wholly-owned subsidiary of GT-PRC) and General Topfond Pharmaceutical Group Co., Ltd. (通用天方藥業集團有限公司, “General Topfond Group” owned by GT-PRC as to 95.33%, together with GT Pharmaceutical Holdings, the “Entrusted Companies”), GT-PRC and China Meheco entered into an equity custody agreement (“Equity Custody Agreement”) on October 10, 2013. Pursuant to the Equity Custody Agreement, during the Custody Period (as defined below), GT-PRC entrusts China Meheco to manage the Entrusted Companies and exercise all shareholders’ rights on behalf of GT-PRC, other than the following: (i) rights to share profits from and dispose of the Entrusted Companies; (ii) change in registered capital,

RELATIONSHIP WITH THE CONTROLLING SHAREHOLDERS

merger, division, change in corporate form, application for bankruptcy, dissolution and liquidation of the Entrusted Companies and their subsidiaries; and (iii) foreign investment and acquisition and disposal of major assets (or property right) of the Entrusted Companies and their subsidiaries.

The Custody Period started from the date of the Equity Custody Agreement until the following date when: (i) GT-PRC transfers the Entrusted Companies to China Meheco or third parties other than enterprises actually controlled by GT-PRC; (ii) the Entrusted Companies terminate operations according to laws; or (iii) in the event that one party to the Equity Custody Agreement materially breaches the terms thereof and as a result of which the agreement can no longer be performed, the non-breaching party has the right to unilaterally terminate the agreement. During the Custody Period, the operating gains and losses of the Entrusted Companies remain to be enjoyed and borne by GT-PRC. If GT-PRC decides to transfer the Entrusted Companies to third parties other than enterprises actually controlled by it, China Meheco has a pre-emptive right under the same conditions.

BUSINESS DELINEATION

Our Group is an integrated healthcare services provider and our core business is provision of equipment financing, advisory services in relation to healthcare industry, equipment and financing and advisory services in relation to clinical department upgrade (“Core Business”).

The principal business of China Meheco and the Entrusted Companies as described above is different from the Core Business of our Group. As of the Latest Practicable Date, none of the Controlling Shareholders, the Directors and their respective close associates had any interest in a business that competes or is likely to compete, either directly or indirectly, with the Core Business of our Group, which is subject to disclosure pursuant to the requirements of Rule 8.10 of the Listing Rules.

INDEPENDENCE FROM OUR CONTROLLING SHAREHOLDERS

Having considered the following factors, our Directors believe that we are capable of carrying out our business independently without reliance on our Controlling Shareholders (and their associates) after Listing.

Financial Independence

Our financial system and financial operations are independent from our Controlling Shareholders and their associates. Our Group makes financial decisions according to our own business needs and our Group’s financial operations are handled by our Treasury Department and Corporate Finance Department, without sharing any financial management functions or resources with our Controlling Shareholders or their associates.

RELATIONSHIP WITH THE CONTROLLING SHAREHOLDERS

During the Track Record Period, we entered into loan agreements with a number of financial institutions, and some of the loan agreements were guaranteed by GT-PRC. As of April 30, 2015, the principal of our bank and other borrowings guaranteed by GT-PRC amounted to RMB1,319.2 million, representing 9.5% of our total bank and other borrowings. In addition, as of April 30, 2015, the principal of our loans from GT-PRC and its associates amounted to RMB762.5 million, representing 5.5% of our total bank and other borrowings.

Furthermore, GT-PRC provided support to the issue of guaranteed secured bonds by Uni-One, a wholly-owned subsidiary of us, with a total principal amount of RMB1,600 million in 2014, by way of entering into a keepwell deed. The bonds are listed and traded on the Stock Exchange. Provision of keepwell by controlling shareholder of an issuer is a typical arrangement for bonds of this nature issued by a private company to international professional and institutional investors. Under the keepwell deed, GT-PRC has undertaken, among other things, that so long as the bonds are outstanding:

- (i) it shall be the largest direct or indirect holder of the issued share capital of our Company;
- (ii) it shall procure our Company to own all the outstanding shares of Uni-One and CU Leasing and procure our Company not to directly or indirectly pledge or in any way encumber or otherwise dispose of any such shares; and
- (iii) it shall cause each of Uni-One and our Company to have a consolidated net worth of at least US\$1.00 at all times and use all reasonable endeavors to cause each of Uni-One and our Company to have sufficient liquidity to ensure timely payment by Uni-One or our Company of any amounts payable in respect of the bonds or of the guarantee provided by our Company and any payment obligation to the trustee and the agents of the bonds in accordance with the terms and conditions of the bonds.

GT-PRC has also given certain undertakings under the keepwell deed to procure proper corporate actions by our Company and Uni-One, such as amendments to the Articles of Association and full compliance with the terms and conditions of the bonds. The keepwell deed explicitly stated that it does not constitute a guarantee by GT-PRC of the payment of any obligation, indebtedness or liability of our Company and Uni-One. The trustee for the holders of the bonds is entitled to bring or take proceedings or actions against GT-PRC for its failure to take certain actions pursuant to its undertakings under the keepwell deed when there has been non-payment of principal or interest on the bonds.

Based on the following reasons, our Directors believe that our Group is able to operate with financial independence from our Controlling Shareholders and their associates:

- we were able to obtain, and we believe that we will continue to be able to obtain, debt financing from banks and other financial institutions without any financial assistance from GT-PRC and its associates. As of April 30, 2015, our bank and other borrowings (excluding loans from GT-PRC and its associates) without guarantees from GT-PRC and its associates (other than our Group) amounted to approximately RMB11,745,8

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million, representing 89.9% of our total bank and other borrowings (excluding loans from GT-PRC and its associates). As of April 30, 2015, our unutilized bank credit facilities without guarantees from GT-PRC and its associates amounted to RMB5,625.6 million, which can be used as working capital without any earmarked purpose and are without restrictions on drawdown other than customary conditions;

- for the years of 2012, 2013 and 2014, our revenue was approximately RMB593.3 million, RMB981.5 million and RMB1,552.7 million, respectively, and our net profit was approximately RMB177.7 million, RMB312.7 million and RMB456.6 million, respectively. As of December 31, 2014, we had cash and cash equivalents of approximately RMB453.6 million;
- we had reached agreements with relevant banks and GT-PRC and its relevant associates, pursuant to which we will make early full repayment of all loans guaranteed by GT-PRC and all loans from GT-PRC and its relevant associates before Listing, whose amounts accounted for 15.1% of our total bank and other borrowings as of April 30, 2015. We entered into loan agreements with several financial institutions in China in May 2015 and issued a batch of asset-back securities to fund such early full repayment with a total principal amount of RMB2,090 million, out of which RMB1,794 million are long-term borrowing and RMB296 million are short-term borrowing. The loans were obtained specifically for this purpose and were not drawn down from our unutilized bank credit facilities as of April 30, 2015. For details of the asset-back securities, see “Financial Information—Liabilities—Interest-Bearing Bank and Other Borrowings”; and
- we believe the keepwell deed does not render us financially dependent on GT-PRC as (i) the keepwell deed explicitly stated that it does not constitute a guarantee by GT-PRC of the payment of any obligation, indebtedness or liability of our Company and Uni-One; (ii) the carrying amount of the bonds accounted for only 11.5% of our total bank and other borrowings as of April 30, 2015; and (iii) we have provided security to secure the obligations under the bonds, including a guarantee by our Company, a share pledge of capital stock held by our Company in Uni-One, and a receivables pledge over receivables to which CU Leasing is entitled under certain leases. Moreover, our unutilized bank credit facilities as of April 30, 2015 can be used to, and are sufficient to, fund the repayment of the outstanding principal amount and accrued interests of the bonds. However, as early repayment of the bonds would incur unnecessary additional costs and expenses and is therefore not in the interests of the Shareholders, we currently do not intend to repay the bonds prior to their maturity.

Based on the above, our Directors believe that we will be able to independently obtain credit facilities or loans from financial institutions or raise funds through the issuance of debt instruments after Listing.

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Management Independence

Our Board and senior management function independently from our Controlling Shareholders and their associates. The table below sets out the positions held by our Directors and senior management in our Controlling Shareholders and their associates.

Name	Our Company	Positions held in GT-PRC and its associates
Mr. JIANG Xin (姜鑫)	Non-executive Director	Chief Accountant, GT-PRC Chairman, GT-HK
Mr. LIU Zhiyong (劉志勇) . .	Non-executive Director	Director and General Manager, GT-HK

Mr. JIANG Xin and Mr. LIU Zhiyong are both non-executive Directors of our Company. They do not hold any management position within our Group and are not involved in the daily management of our Company.

Our Board comprises two executive Directors, six non-executive Directors and four INEDs. Other than Mr. JIANG Xin and Mr. LIU Zhiyong, the remaining members of our Board and senior management have not held any positions in our Controlling Shareholders and their associates. Accordingly, our daily operation and management are independent from our Controlling Shareholders and their associates.

Immediately after the Listing, the Board is required to comply with the Listing Rules in relation to connected transactions between our Company and our Controlling Shareholders and their associates. The connected transactions will be reviewed by INEDs and advice from independent financial advisor and approval from independent shareholders on the connected transactions, if applicable, will be obtained.

Operational Independence

Our operations are independent from our Controlling Shareholders and their associates. We have our own staff to support our operations and management. We have all the required assets, licenses, trademarks and other intellectual properties for operation of its business.

We have conducted certain continuing connected transactions with our Controlling Shareholders and their associates, including procuring equipments, receiving advisory, financial and logistics services, and leasing properties from our Controlling Shareholders and their associates. For reasons and further details on such continuing connected transactions, please refer to the section headed “Connected Transactions” in this prospectus.

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Notwithstanding such continuing connected transactions, we have been operating and will continue to operate independently from our Controlling Shareholders and their associates for the following reasons:

- although we continue to purchase certain products and services from our Controlling Shareholders and their associates, such products and services may be purchased from independent third parties at comparable prices. Moreover, during the Track Record Period, the purchases of such products and services did not exceed 1% of the total annual purchases of our Group;
- the properties leased from our Controlling Shareholders and their associates are used as office premise and warehouse. Due to the nature of our business, leasing such properties will not make our business operations dependent on our Controlling Shareholders. If necessary, we may seek appropriate alternative locations for offices and warehouse without material adverse effect on our business and operations;
- the pricing on products and services provided by the Controlling Shareholders and their associates will be agreed through arm's length negotiations to ensure that the pricing is fair and reasonable; and
- our Directors consider that such continuing connected transactions are entered into during our ordinary and usual course of business after arm's length negotiations on normal commercial terms, fair and reasonable, and in the interest of the Shareholders as a whole.

DEED OF NON-COMPETITION

On June 10, 2015, GT-PRC entered into the Deed of Non-competition in favor of our Company, pursuant to which GT-PRC irrevocably undertakes to our Company that it will not and will procure its subsidiaries (except our Company, China Meheco and CAERI and their subsidiaries, and the Entrusted Companies and their subsidiaries) not to, directly or indirectly (whether in the capacity of principal or agent, whether for its own benefit or jointly with or on behalf of any person, firm or company, whether within or outside China), commence, engage in, participate in or acquire any business which competes or may compete directly or indirectly with the Core Business of our Group ("Restricted Business") or own any rights or interests in such business.

GT-PRC has further irrevocably undertaken that during the Restricted Period (as defined below), it should and will procure its subsidiaries (except our Company, China Meheco and CAERI and their subsidiaries, and the Entrusted Companies and their subsidiaries) ("GT-PRC and its subsidiaries together, "Offeror") to offer new business opportunities to us first in the

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following manner when any business, investment or other business opportunities (“New Business Opportunities”) related to the Restricted Business become available to the Offeror:

- (i) the Offeror will make referral of the New Business Opportunities to us, and will as soon as possible inform us in writing (“Offer Notice”) about all necessary and reasonably required information in respect of any New Business Opportunities (including but not limited to details of the nature and investment or acquisition cost of the New Business Opportunities) for us to consider (a) whether the relevant New Business Opportunities will compete with our business, and (b) whether taking up the New Business Opportunities is in the interest of our Group.
- (ii) Upon receipt of the Offer Notice, the INEDs will consider whether to pursue the New Business Opportunities taking into account whether the relevant New Business Opportunities would be able to achieve a sustainable profitability level, whether they are in line with the prevailing development strategies of our Group, and whether they are in the best interest of the Shareholders. Our Company must inform the Offeror in writing within 20 Business Days after receipt of the Offer Notice about its decision on whether the New Business Opportunities will be pursued.
- (iii) Only when (a) the Offeror has received our notice to reject the New Business Opportunities and our confirmation that the relevant New Business Opportunities are not considered to be able to compete with our Core Business; or (b) the Offeror has not received the relevant notice from our Company within the period as stated above in paragraph (ii) after the Offer Notice has been received by us, then the Offeror is entitled to take up the New Business Opportunities on terms and conditions not more favorable than those specified in the Offer Notice issued to us.

If material changes occur in the terms and conditions of the New Business Opportunities after the referral of which have been made or procured to be made to us by the Offeror, referral of the revised New Business Opportunities shall be made by the Offeror to us again in the manner as stated above.

The undertakings under the Deed of Non-competition are not applicable in the following circumstances:

- (i) GT-PRC and/or its subsidiaries engage in the Restricted Business directly or indirectly through the ownership of equity interest in any member of our Group; or
- (ii) GT-PRC and/or its subsidiaries engage in the Restricted Business directly or indirectly through the ownership of equity interest in listed companies other than our Group (except China Meheco and CAERI and their subsidiaries, and the Entrusted Companies and their subsidiaries), with the following conditions being satisfied:
 - (a) The Restricted Business (and relevant assets) conducted or carried out by such company represents less than 10% of the revenue or total assets of such company according to the latest audited accounts of such company; and

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- (b) GT-PRC and/or its subsidiaries (except any member of our Group) hold in aggregate not more than 10% of the issued share capital of relevant class of shares of such company, and GT-PRC and/or its subsidiaries (except any member of our Group) have no right to appoint the majority of directors of such company or participate in the management of such company.

Pursuant to the Deed of Non-competition, the Restricted Period refers to the period commencing from the Listing Date and ending on the following dates (whichever is earlier):

- (i) the date when the shares of our Company cease to be listed on the Stock Exchange; and
- (ii) the date when the Controlling Shareholders cease to be controlling shareholders of our Company.

CORPORATE GOVERNANCE MEASURES

We have put in place sufficient corporate governance measures to manage the conflict of interest and potential competition from our Controlling Shareholders and safeguard the interest of the Shareholders, including:

- if a Director has a material interest in a particular transaction, he shall abstain from voting in any matters relating to such transaction being considered at the Board meeting and he will not be counted as a quorum of the Board meeting;
- if disinterested Directors (including INEDs) reasonably seek to obtain independent and professional advice (such as financial advisor advice), the costs incurred for obtaining such advice will be borne by our Company;
- INEDs will review the compliance with the undertakings under the Deed of Non-competition by GT-PRC on an annual basis;
- GT-PRC will provide or procure the provision of all necessary information required for the Board's annual review of compliance with the Deed of Non-competition;
- our Company will disclose in its annual report the decisions (if any) of INEDs on matters relating to the New Business Opportunities and the relevant basis; and
- GT-PRC will make an annual declaration on its compliance with the Deed of Non-competition in our annual report.

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You should read the following discussion and analysis of our financial condition and results of operations in conjunction with our consolidated financial statements as included in Appendix I—“Accountants’ Report” to this prospectus, which has been prepared in accordance with HKFRS as issued by the HKICPA. The following discussion and analysis include contain forward-looking statements that involve risks and uncertainties. Our actual results could differ materially from those anticipated in these forward-looking statements due to various factors, including those set forth under the sections “Forward-Looking Statements”, “Risk Factors” and elsewhere in this prospectus. In this prospectus, integrated healthcare services providers refer to companies (1) that offer integrated healthcare services comprising multiple services to hospitals or other healthcare institutions and (2) whose annual revenue from the healthcare industry represent more than 30.0% of its total revenue. See “Industry Overview—Integrated Healthcare Solutions”.

OVERVIEW

We are the largest integrated healthcare services provider in China in terms of revenue in 2014, according to Frost & Sullivan. We offer our hospital customers a variety of integrated services, including (1) equipment financing, which constitutes the principal component of our business, (2) healthcare industry, equipment and financing advisory services, and (3) clinical department upgrade services. We provide equipment financing in the form of financial leasing services, which contributed 54.5%, 59.2% and 66.6% of our total revenue before business tax and surcharges in 2012, 2013 and 2014, respectively. Our clinical department upgrade services integrate clinical department upgrade advisory services, medical equipment sourcing services and operating lease services, assisting China’s hospitals in establishing or upgrading select clinical areas. As of December 31, 2014, our sales and marketing team covered a customer base of over 1,000 hospitals, 741 of which generated revenue for us during the Track Record Period.

Our equipment financing, which are provided primarily in the form of financial leasing services, form the backbone of our integrated services business model. We focus our financial leasing services on China’s fast growing healthcare industry. Among the 10 MOFCOM-approved largest financial leasing companies in China, we had the highest business focus on the healthcare industry with an average of 73.3% of our net lease receivables before provision attributable to customers in the healthcare industry, calculated by average month-end receivables, during the Track Record Period. We also offer financial leasing services for educational and other projects.

We have developed certain clinical department upgrade services that target highly prevalent major diseases which require clinical capabilities beyond the level of most regional and county level hospitals to effectively treat. In 2011, we launched our CVA project solutions to help improve the CVA screening, treatment and prevention capabilities of regional and county level hospitals. As of the Latest Practicable Date, we had entered into agreements with 55 hospitals in 22 provinces in China in respect of our CVA project solutions, and have significantly improved the performance of many of those hospitals.

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We grew rapidly during the Track Record Period. In 2012, 2013 and 2014, our revenue was RMB593.3 million, RMB981.5 million and RMB1,552.7 million, respectively, representing a CAGR of 61.8% between 2012 and 2014. In the same period, we had gross profit of RMB388.5 million, RMB632.8 million and RMB933.1 million, respectively, representing a CAGR of 55.0% between 2012 and 2014.

FACTORS AFFECTING OUR FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The healthcare services industry in China has experienced fast growth since 2009 and, according to Frost & Sullivan, the trend is expected to continue. Our financial condition and results of operations benefited from this industry trend during the Track Record Period, and are expected to be significantly affected in the future by the growth or contraction of the healthcare services industry in China. In addition, our financial condition and results of operations in any given period are expected to be affected by the following factors:

- healthcare reform and other healthcare regulations and policies in China;
- our ability to develop and commercialize new healthcare solutions;
- our ability to differentiate our solutions from those produced by financial leasing companies and other financial institutions;
- funding capability and funding cost;
- interest rate and foreign exchange rate movements; and
- quality and provision policies of our lease receivables.

Healthcare Reform and Other Healthcare Regulations and Policies in China

The growth of China's healthcare services industry as a whole and its subsectors is to a large extent driven by government regulations and policies. In particular, as we strategically target regional and county level hospitals as our key customer base, the Chinese government regulations and policies that affect the development and financial condition of regional and county level hospitals would have a significant effect on the demand for and affordability of our integrated healthcare solutions. Driven by the Twelfth Five-Year Policies, healthcare expenditure in China increased at a CAGR of 15.9% between 2009 and 2013 and the healthcare services expenditure in China increased at a CAGR of 18.2% during the same period. In particular, the Chinese government has recently adopted policies to encourage regional and county level hospitals to further improve their clinical expertise and upgrade their medical equipment, aiming to establish the tiered medical care system (分級診療), with a goal of treating 90% of patients within their local county level hospitals, which resulted in the establishment and upgrade of 2,200 regional and county level hospitals between 2009 and 2012. Partly driven by these preferential policies, the average principal amount per finance lease increased at a CAGR of 43.1% during the Track Record Period.

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In recent years, we have sought to develop new healthcare solutions, including our CVA project solutions and other clinical department upgrade services, hospital digitalization and hospital management. Many of these solutions are relatively new in China, and thus the evolution of government regulations and policies that encourage, permit, limit, restrict or forbid our provision of any of these solutions may have a material effect on our results of operations. For example, the MOH encourages hospitals to keep electric medical record, which is expected to increase the demand for our hospital digitalization services. On the other hand, the MOH prohibits the hospitals from subcontracting their clinical departments. We plan to engage only in hospital management services that are permitted within the relevant regulations, but such regulations impose limits on our efforts to develop innovative hospital management services in the future.

We expect that our results of operations and business prospects will continue to be largely affected by the healthcare reform and other healthcare regulations and policies in China.

Our Ability to Develop and Commercialize New Healthcare Solutions

We have been developing and marketing our clinical department upgrade services since 2011. As of the Latest Practicable Date, we had entered into agreements with 55 hospital customers in 22 provinces in China in respect of our CVA project solutions. In 2014, we generated revenue of RMB17.3 million from these solutions. We also plan to continue to develop and market new clinical department upgrade services, hospital digitalization services and hospital management services, to complement our current integrated healthcare solutions offerings. See “Business—Our Strategies”.

We expect to generate additional revenue from these healthcare solutions that were newly developed or to be developed, and we expect that once these solutions are integrated into our current healthcare solutions. Other current solutions such as financial leasing services would also benefit from our cross-selling efforts. In 2014, we generated revenue of RMB83.0 million from the 50 CVA project solutions customers via various types of solutions we provided to them. Therefore, whether these new solutions will be widely accepted by hospitals in China as expected would have a material impact on our growth prospects.

In addition, we expect to make substantial investments in developing and commercializing new healthcare solutions, including 45.0% of net proceeds from the Global Offering including recruiting new employees and acquiring servers and other equipment for our hospital digitalization business. See “Future Plans and Use of Proceeds—Use of Proceeds”. As a result, we expect that staff cost would increase, and we will incur additional depreciation expenses. Whether and how soon we can recoup these investments and additional costs and expenses, and make a profit out of these new healthcare solutions, would depend on whether and how soon we can successfully commercialize the new healthcare solutions.

Our efforts to develop and commercialize new healthcare solutions may potentially be restricted by current or future government regulations and policies. See “—Factors Affecting Our Financial Condition and Results of Operations—Healthcare Reform and Other Healthcare Regulations and Policies in China”.

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Our Ability to Differentiate Our Solutions from those Provided by Financial Leasing Companies

Financial leasing services are the largest component of our integrated services. In 2014, 66.6% of our total revenue before business tax and surcharges was derived from finance lease income and 96.7% of our total assets were net lease receivables. The competition of providing value-added integrated services among financial leasing companies is intensive. As we strategically focus on the healthcare industry, we also strive to leverage our integrated healthcare solutions. During the Track Record Period, largely due to our distinctive integrated solutions business model, we were able to distinguish our solutions from services provided by financial leasing companies, and achieved fast growth while maintained our profitability. In 2012, 2013 and 2014, our finance lease income grew at a CAGR of 77.0%, and our net interest spread was 2.64%, 2.80% and 2.93%, respectively. In addition, some of the financial leasing companies in China are non-bank financial services providers, including affiliates of commercial banks. We believe we do not compete directly with them as we have different business focus and we plan to focus on providing integrated healthcare solutions. We expect that the growth and profitability of our financial leasing business in the future will rely on our ability to continue to distinguish our integrated solutions from the services provided by financial leasing companies.

Funding Capabilities and Funding Cost

The growth of our financial leasing business depend largely on our funding capabilities. Our total interest-earning assets, which include primarily net lease receivables, were RMB5,291.2 million, RMB9,698.4 million and RMB15,850.1 million as of December 31, 2012, 2013 and 2014, respectively, while our interest-bearing liabilities, which include primarily bank and other borrowings, were RMB3,788.7 million, RMB7,905.8 million and RMB11,408.3 million, respectively. During the Track Record Period, we funded our financial leasing business primarily via bank borrowings, secured bonds and related party loans. As we intend to enhance our financial independence over the Track Record Period, we reduced our financing from related parties, as a percentage of our total interest-bearing bank and other borrowings from 44.8% as of December 31, 2012 to 20.9% as of December 31, 2013, and further to 9.0% as of December 31, 2014. After the Listing, as we become a public company, we expect to have better access to capital markets, which is expected to enhance our funding capabilities. However, during the Track Record Period, we also incurred certain loans that were extended or guaranteed by our related parties. As of December 31, 2012, 2013 and 2014, we had such loans of RMB1,133.8 million, RMB1,803.9 million and RMB1,396.6 million, respectively, representing 29.9%, 22.8% and 12.2%, respectively, of our total bank and other borrowings. Although the funding cost of such loans was not apparently higher than our other comparable loans from independent third parties, if our related parties did not extend or guarantee such loans, we might not have been able to obtain the same amount of loan on similar terms to support our growth during the Track Record Period. We repaid all borrowings from or guaranteed by our related parties in full in June 2015. After the Listing, our funding capabilities would rely on our own credit and, if we use our lease assets as collateral, the quality of such assets.

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As finance lease income represents a majority of our revenue, our gross margin is largely affected by the net interest margin, which is calculated based on the average yield of our interest-earning assets and the average cost rate of our interest-bearing liabilities, of our financial leasing business. As such, our funding cost has a significant effect on our profitability. We seek to lower our financing cost by diversifying the financial institutions we borrow from and financing channels. For example, during the Track Record Period, we entered into four syndicate loans. In 2014, we issued secured bonds in the aggregate amount of RMB1,600 million.

Interest Rate and Foreign Exchange Rate Movements

A majority of our lease receivables are RMB-denominated assets that have floating interest rates and refer to PBOC benchmark interest rates. However, we have a combination of bank and other borrowings that refer to PBOC benchmark interest rates, LIBOR and CNH HIBOR. We have also issued secured bonds at a fixed interest rate. As of December 31, 2014, 37.2%, 11.4% and 21.7% of our bank and other borrowings were loans with interest rates floating with reference to PBOC benchmark interest rates, LIBOR and CNH HIBOR, respectively, and 29.7% had fixed interest rates.

As a result of this mismatch of interest rates, we are exposed to risks associated with movements of different interest rate indices. We currently manage our interest rate risks by entering into interest rate swaps. See “—Derivative Financial Instruments” for details. In the future, as we intend to continue to diversify our funding channels, we expect to continue to have such a mismatch, and our net interest margin may be affected as a result.

In addition, all of our lease receivables are denominated in Renminbi, while a portion of our bank and other borrowings are denominated in U.S. dollars. As of December 31, 2012, 2013 and 2014, 39.5%, 33.5% and 16.5% of our loans and other borrowings were denominated in U.S. dollars, respectively. Therefore, fluctuations of the foreign exchange rate between Renminbi and U.S. dollars would affect the carrying value of our U.S. dollar denominated loans, which would in turn result in foreign exchange gains or losses. We currently do not enter into derivative financial instruments to hedge our foreign exchange rate exposure.

Quality and Provision Policies of Our Lease Receivables

The quality of our lease receivables is largely affected by the industries and the customers we select. We believe that our focus on the healthcare industry and our industry-specialized and prudent risk management system help to effectively manage our credit risk and ensure our asset quality. As of December 31, 2012, 2013 and 2014, our non-performance assets ratio was 1.00%, 0.91% and 0.83%, respectively. We monitor our non-performing assets closely. However, factors that are beyond our control, such as macroeconomic developments which may affect the business and operating environment of our customers, may also affect our non-performing assets ratio in the future. In addition, although our non-performing assets ratio decreased during the Track Record Period, as our

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finance lease portfolio increased rapidly during the Track Record Period, the balance of our non-performing assets increased from RMB52.8 million as of December 31, 2012 to RMB88.5 million as of December 31, 2013, and further to RMB132.1 million as of December 31, 2014.

We prepare our financial statements in accordance with HKFRS and assess our provisions for impairment losses based on non-performing lease receivables on an individual basis and our performing lease receivables on a collective basis. Based on such assessments, we set aside provisions for impairment losses for both our performing and non-performing assets. The amount of these provisions is determined on the basis of our internal provisioning procedures and guidelines upon consideration of factors such as the nature and characteristics of our industry-specific customers, credit record, economic conditions and trends, history of write-offs, payment delinquencies and the value of the assets underlying the leases as collateral or guarantees. See “Risk Management—Credit Risk Management” details. As we continue to implement prudent risk management, we increased our provision coverage ratio from 104.88% as of December 31, 2012 to 151.01% as of December 31, 2013, and further to 166.10% as of December 31, 2014. An increase in our provision coverage ratio may result in higher impairment losses which negatively affect our net profit, even if our non-performing assets ratio decreases. In addition, our provisions may prove to be inadequate if unanticipated changes occur in China’s economy or other economies in which we operate or if other events affect specific customers, industries or markets occur. Under such circumstances, we may need to make additional provisions for our lease receivables, which would impact our results of operations.

BASIS OF PRESENTATION

Our Company was incorporated in Hong Kong as a limited liability company on April 19, 2012 and became the holding company of our current subsidiaries in May 24, 2012. Because the insertion of our Company as the holding company of our current subsidiaries did not result in any change of economic substance, the financial information of our Group for the Track Record Period set forth in Appendix I—“Accountants’ Report” to this prospectus was presented as a continuation of the existing company using the pooling of interest method.

CRITICAL ACCOUNTING POLICIES AND ESTIMATES

Our significant accounting policies are set forth in note 3.2 to our consolidated financial statements included in Appendix I—“Accountants’ Report” to this prospectus. The preparation of our consolidated financial statements requires our management to make judgments, estimates and assumptions that affect the amounts reported in our consolidated financial statements. These judgments, estimates and assumptions are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances, and actual results could differ significantly. We have identified the following accounting policies as critical to an understanding of our financial condition and results of operations, because the application of these policies requires significant management judgments, estimates and assumptions, and the reporting of materially different amounts could result if different judgments were made or different estimates or assumptions were used.

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Revenue Recognition

Our revenue is recognized when it is probable that the economic benefits will flow to us and when the revenue can be measured reliably.

- *Finance lease income:* We recognize finance lease income as revenue on an accrual basis using the effective interest method, by applying the rate that exactly discounts the estimated future cash receipts through the expected life of the net investment of finance lease or a shorter period, when appropriate, to the net carrying amount of the net investment of finance lease.
- *Advisory income:* We recognize advisory income, including revenue from industry, equipment and financing advisory services and clinical department upgrade advisory services, when the services have been rendered and the revenue can be reasonably estimated. As of each reporting dates, for advance payments by customers for services we have not rendered, we record such payments as deferred revenue as liability, and recognize the deferred revenue as revenue when the services have been rendered and the revenue can be reasonably estimated.
- *Sales of goods:* Revenue from sales of medical equipment is recognized when the significant risks and rewards of ownership have been transferred to the buyer, provided that we maintain neither managerial involvement to the degree usually associated with ownership, nor effective control over the goods sold; we typically recognize revenue from sales of medical equipment upon delivery or installation of the equipment, or the completion of inspection by the customers, depending on the nature of the equipment and the terms and conditions of the specific sales contract.
- *Operating lease income:* Pre-determined amount of operating lease income is recognized as revenue on a time proportion basis over the lease terms; contingent amount of operating lease income is recognized as income in the period in which the contingent amount is determined.

Classification Between Finance Leases and Operating Leases

Leases are required to be classified as either finance leases if the leases transfer substantially all the risks and rewards of ownership, and give rise to asset and liability recognition by the lessee and a receivable by the lessor, and are required to be classified as operating leases if the lease result in expense recognition by the lessee, with the asset remaining recognized by the lessor. See note 3.2 “Summary of Significant Accounting Policies—Leases” to Appendix I—“Accountants’ Report” to this prospectus for a detailed description of the respective accounting treatments for finance leases and operating leases. The determination of whether we have transferred substantially all the risks and rewards incidental to ownership depends on an assessment of the relevant arrangements relating to the lease and this has involved critical judgments by management.

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Impairment of Non-Financial Assets Other than Goodwill

We assess whether there are any indicators of impairment for all non-financial assets at the end of each reporting period. Non-financial assets are tested for impairment when there are indicators that the carrying amounts may not be recoverable. Impairment exists when the carrying value of an asset or a cash-generating unit exceeds its recoverable amount, which is the higher of its fair value less costs to sell and its value in use. The calculation of the fair value less costs to sell is based on available data from binding sales transactions in an arm's length transaction of similar assets or observable market prices less incremental costs for disposing of the asset. When value-in-use calculations are undertaken, our management will estimate the expected future cash flows from the asset or cash-generating unit and choose a suitable discount rate in order to calculate the present value of those cash flows.

Deferred Tax Assets

Deferred tax assets are recognized for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilized. Significant management judgment is required to determine the amount of deferred tax assets that can be recognized, based upon the likely timing and level of future taxable profits together with future tax planning strategies.

Provisioning Policy for Bad and Doubtful Receivables

Provisioning policy for bad and doubtful receivables is made based on the assessment of the recoverability of loans and receivables. The identification of doubtful receivables requires management's judgment and estimation. Our management measures and monitors the asset quality of the lease receivables portfolio by classifying the lease receivables using the five-category classification system by referring to guidelines promulgated by CBRC relating to asset quality for financial institutions under its regulation. Lease receivables in pass and special mention categories are regarded as performing assets as no objective evidence of impairment exists individually and they are collectively assessed for impairment. Lease receivables in substandard, doubtful and loss categories are regarded as non-performing assets and are measured for impairment individually since objective evidence of impairment exists individually for such lease receivables. Where the actual outcome or expectation in the future is different from the original estimate, these differences will have an impact on the carrying amounts of the receivables and doubtful debt expenses/write-back of in the period in which such estimate is changed.

Fair Value of Financial Instruments

For financial instruments where there is no active market, the fair value is determined using appropriate valuation techniques. Such techniques include using recent arm's length market transactions; reference to the current market value of another instrument which is substantially the same; a discounted cash flow analysis; and option pricing models or other valuation models.

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Valuation techniques make use of observable market information to the greatest extent, however, when the observable market information cannot be obtained, our management will have to make assumptions on the credit risk, market volatility and correlations of us and our counterparties, and any changes in these underlying assumptions will affect the fair value of financial instruments.

CONSOLIDATED STATEMENTS OF PROFIT OR LOSS

You should read the consolidated statements of profit or loss set forth below in conjunction with our consolidated financial statements included in the Appendix I—“Accountants’ Report” to this prospectus, together with the accompanying notes, which have been prepared in accordance with HKFRS. The consolidated statements of profit or loss for the years ended December 31, 2012, 2013 and 2014 are derived from our consolidated financial statements, including the notes thereto, set forth in Appendix I—“Accountants’ Report” to this prospectus.

	Year ended December 31,					
	2012		2013		2014	
	Amount	% of revenue	Amount	% of revenue	Amount	% of revenue
	(in thousands of RMB, except percentages)					
Revenue	593,326	100.0%	981,458	100.0%	1,552,682	100.0%
Cost of sales	(204,781)	(34.5)	(348,619)	(35.5)	(619,594)	(39.9)
Gross profit	388,545	65.5	632,839	64.5	933,088	60.1
Other income and gains	6,393	1.1	54,887	5.6	15,419	1.0
Selling and distribution costs	(70,296)	(11.9)	(106,874)	(10.9)	(126,295)	(8.1)
Administrative expenses	(77,037)	(13.0)	(154,395)	(15.7)	(190,614)	(12.3)
Other expenses	(8,457)	(1.4)	(8,113)	(0.8)	(20,516)	(1.3)
Profit before tax	239,148	40.3	418,344	42.7	611,082	39.4
Income tax expense	(61,496)	(10.4)	(105,606)	(10.8)	(154,444)	(10.0)
Profit for the year	<u>177,652</u>	<u>29.9%</u>	<u>312,738</u>	<u>31.9%</u>	<u>456,638</u>	<u>29.4%</u>

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Revenue

We generate our revenue primarily from (1) financial leasing services, (2) advisory services, including industry, equipment and financing advisory services, and (3) clinical department upgrade advisory services. We derive clinical department upgrade advisory income, operating lease income and revenue from sales of medical equipment from the provision of our integrated clinical department upgrade services. We also generate a small amount of revenue from other services such as equipment in-licensing services offered to medical equipment suppliers. In 2012, 2013 and 2014, our revenue was RMB593.3 million, RMB981.5 million and RMB1,552.7 million, respectively. The following table sets forth a breakdown of our revenue for the periods indicated:

	Year ended December 31,					
	2012		2013		2014	
	Amount	% of total	Amount	% of total	Amount	% of total
	(in thousands of RMB, except for percentages)					
Finance lease income	333,278	54.5%	588,212	59.2%	1,043,888	66.6%
Industry, equipment and financing advisory	239,631	39.2	350,985	35.3	444,859	28.4
Clinical department upgrade services						
Advisory income	9,001	1.5	19,516	2.0	42,830	2.7
Operating lease income	16,941	2.8	19,974	2.0	17,076	1.1
Sale of goods income	12,338	2.0	14,705	1.5	18,425	1.2
Subtotal	38,280	6.3	54,195	5.5	78,331	5.0
Others	4	0.0	13	0.0	438	0.0
Total revenue before business tax and surcharges	<u>611,193</u>	<u>100.0%</u>	<u>993,405</u>	<u>100.0%</u>	<u>1,567,516</u>	<u>100.0%</u>
Business tax and surcharges	(17,867)		(11,947)		(14,834)	
Total	<u>593,326</u>		<u>981,458</u>		<u>1,552,682</u>	

The increase in revenue during the Track Record Period was a result of the increase in all of our primary sources of revenue.

Finance Lease Income

The majority of our revenue is derived from our financial leasing services, representing 54.5%, 59.2% and 66.6% of our total revenue before business tax and surcharges in 2012, 2013 and 2014, respectively. Finance lease income represents interest income from the provision of our direct financial leasing services and sale-and-leaseback services.

During the Track Record Period, our finance lease income grew from RMB333.3 million in 2012 to RMB588.2 million in 2013, and to RMB1,043.9 million in 2014. The growth in our finance lease income during these periods was principally attributable to the increase in the number of finance leases and the average principal amount per finance leases with hospital customers, as well as certain educational projects.

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A majority of our finance leases have floating interest rates, priced at a predetermined spread over a base interest rate, based on the risk profiles of the customers. The base interest rate is usually referenced to the PBOC benchmark interest rates. The floating interest rate is typically reset at each monthly, quarterly or semi-annually payment date based on the then applicable PBOC benchmark interest rates. In 2012, 2013 and 2014, the average yield on our financial leasing assets was 8.70%, 8.45% and 8.70%, respectively.

We recognize finance lease income on an accrual basis. See “—Critical Accounting Policies and Estimates—Revenue Recognition” for details. As our finance leases generally have a term of three to five years, finance lease income under a finance lease is generally recognized over such period. During the Track Record Period, we believe our pricing power was enhanced over time as we continued to improve our integrated solutions to mitigate price competition with other financial leasing companies. In addition, value-added tax became applicable to our financial leasing business in September 2012. For the purpose of calculating our average yield on interest-earning assets, net interest margin and net interest spread, the amount of finance lease income are net of value-added tax, which is currently at the rate of 17.0%. Value-added tax are applicable to our finance lease agreements entered into in or after September 2012. Therefore, finance lease income under finance lease agreements entered into before September 2012 but recognized after September 2012 are not subject to value-added tax. As such, the proportion of finance lease income subject to value-added tax increased gradually over the Track Record Period as we renewed or entered into new finance lease agreements over the same period. This resulted in an increasing downward effect on the amounts of finance lease income during the Track Record Period. The following table sets forth a breakdown of finance lease income by industry for the periods indicated:

	Year ended December 31,					
	2012		2013		2014	
	Amount	% of total	Amount	% of total	Amount	% of total
	(in thousands of RMB, except for percentages)					
Healthcare	280,374	84.1%	496,504	84.4%	703,756	67.4%
Education	30,949	9.3	78,570	13.4	311,018	29.8
Others ⁽¹⁾	21,955	6.6	13,138	2.2	29,114	2.8
Total	333,278	100.0%	588,212	100.0%	1,043,888	100.0%

(1) primarily the water infrastructure industry.

Due to our strategic industry focus, finance lease income from the healthcare industry constitutes a majority of our total finance lease income, representing 84.1%, 84.4% and 67.4% in 2012, 2013 and 2014, respectively. Finance lease income from the healthcare industry grew at a CAGR of 58.4% between 2012 and 2014, which was primarily driven by the continuing expansion of our integrated healthcare solutions and our strategic industry focus. During this period, the number of hospital customers with whom we entered into finance leases increased

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from 491 in 2012 to 623 in 2013, and to 741 in 2014. In addition, due to our continuing cross-selling efforts and growing demand of hospitals for larger-scale financing to upgrade their equipment, average finance lease income per customer increased from RMB0.5 million in 2012 to RMB0.7 million in 2013, and to RMB0.9 million in 2014.

In 2012, 2013 and 2014, finance lease income from educational and other projects represented 9.3%, 13.4% and 29.8%, respectively. The significant increase in educational projects in 2014 was primarily as a result of certain projects entered into with local governments in 2013 and 2014 to upgrade the equipment of educational institutions under their supervision. As part of our cross-selling efforts to maximize revenue from a single customer, when we engage in discussions with a local government with respect to selling our healthcare solutions to the public hospitals under its supervision, we typically would also explore the potential demand of other public institutions also under its supervision for our financial leasing services. In 2013 and 2014, we identified certain business opportunities from such cross-selling efforts and entered into finance leases to finance a number of quality projects, which drove the significant increase in finance lease income from educational projects. However, as we strategically focus on the healthcare industry, we do not expect that the growth rate of our finance lease income from educational project to remain as high in the future as it was during the Track Record Period. See “Summary—Recent Developments”.

Industry, Equipment and Financing Advisory

We generate significant revenue from providing industry, equipment and financing advisory services. Our industry, equipment and financing advisory services are typically provided as part of our integrated solutions to customers. In 2012, 2013 and 2014, we had revenue from industry, equipment and financing advisory services of RMB239.6 million, RMB351.0 million and RMB444.9 million, respectively, representing 39.2%, 35.3% and 28.4% our total revenue before business tax and surcharges, respectively. The increase in industry, equipment and financing advisory services revenue during the Track Record Period was primarily attributable to an increase in revenue per service contract, which was mainly driven by the continuing expansion of the scope, complexity and added value of our advisory services. In 2012, 2013 and 2014, we rendered 255, 250 and 215 advisory services, with an average advisory services revenue per contract of RMB0.9 million, RMB1.4 million and RMB2.1 million, respectively.

We recognize our revenue from advisory services by reference to the stage under the contracts. See “—Critical Accounting Policies and Estimates—Revenue Recognition”.

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Clinical Department Upgrade Services

In 2012, 2013 and 2014, we generated revenue of RMB38.3 million, RMB54.2 million and RMB78.3 million, respectively, from clinical department upgrade services, growing at a CAGR of 43.0%.

We generate clinical department upgrade services revenue from three main sources: (1) provision of advisory services, (2) rental income from operating leases and (3) sales of medical equipment. The following table sets forth a breakdown of our clinical department upgrade services:

	Year ended December 31,					
	2012		2013		2014	
	Amount	% of total	Amount	% of total	Amount	% of total
	(in thousands of RMB, except for percentages)					
Advisory income	9,001	23.5%	19,516	36.0%	42,830	54.7%
Operating lease income	16,941	44.3	19,974	36.9	17,076	21.8
Sale of goods income	12,338	32.2	14,705	27.1	18,425	23.5
Total	38,280	100.0%	54,195	100.0%	78,331	100.0%

During the Track Record Period, clinical department upgrade advisory income grew at a CAGR of 118.1%, reflecting the growth of our clinical department upgrade services. In 2012, 2013 and 2014, as we continue to enrich the scope and added value of our clinical department upgrade advisory services, clinical department upgrade advisory income represented 3.6%, 5.3% and 8.8% of our total advisory income (including industry, equipment and financing advisory income and clinical department upgrade services advisory income), respectively, and 23.5%, 36.0% and 54.7% of our total revenue from clinical department upgrade services, respectively.

For the operating lease income, we had three operating lease projects outstanding through the Track Record Period. The fluctuation of our operating lease income during the Track Record Period primarily reflected the combined effect of the profit growth of our lessee customers and the decreasing profit sharing ratio over the same period. As the profit sharing ratio for our operating leases generally decreases over the lease terms, the rental payment for each operating lease tends to decrease when the ratio decreases.

Revenue from sales of goods is derived from our medical equipment sourcing services. We sell medical equipment in conjunction with the provision of our integrated clinical department upgrade services, and not as an independent line of business. Therefore, revenue from sales of medical equipment in each reporting period is driven by number and nature of clinical department upgrade services implemented during the period.

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Cost of Sales

In 2012, 2013 and 2014, our cost of sales was RMB204.8 million, RMB348.6 million and RMB619.6 million, respectively. The following table sets forth a breakdown of our cost of sales for the periods indicated:

	Year ended December 31,					
	2012		2013		2014	
	Amount	% of total	Amount	% of total	Amount	% of total
	(in thousands of RMB, except for percentages)					
Interest expenses	192,364	93.9%	325,449	93.4%	596,954	96.4%
Cost of products sales	4,634	2.3	7,759	2.2	8,311	1.3
Cost of operating leases	7,783	3.8	15,411	4.4	14,226	2.3
Other costs.	—	—	—	—	103	0.0
Total	204,781	100.0%	348,619	100.0%	619,594	100.0%

Interest Expenses

Interest expenses are the principal component of our cost of sales, primarily incurred from our bank and other borrowings to finance our financial leasing business. In 2012, 2013 and 2014, we incurred interest expenses of RMB 192.4 million, RMB 325.4 million and RMB 597.0 million, each representing more than 90% of our total cost of sales. We finance our financial leasing services by a combination of bank borrowings, secured bonds, loans from our related parties, asset-backed securities and others. As of December 31, 2012, 2013 and 2014, bank borrowings represented 46.5%, 72.8% and 65.6% of our total bank and other borrowings, respectively. Therefore, our interest expenses for each reporting period mainly represent the function of the average outstanding balance and the average cost rate of our bank and other borrowings.

The increase in our interest expenses during the Track Record Period was primarily due to the increase in the average balance of our bank and other borrowings, which was driven by the expansion of our financial leasing business. In 2012, 2013 and 2014, the average balance of our bank and other borrowings was RMB3,173.5 million, RMB5,762.1 million and RMB10,341.6 million, respectively.

Bank borrowings represent a majority of our bank and other borrowings. In 2012, 2013 and 2014, the average balance of our bank borrowings was RMB1,034.4 million, RMB3,031.9 million and RMB6,432.9 million, respectively. As a majority of our bank borrowings are loans with floating interest rates, the average cost rate of our bank borrowings are largely affected by the PBOC benchmark interest rates, as well as CNH HIBOR and LIBOR. In 2012, 2013 and 2014, the average cost rate of our bank borrowings was 7.0%, 5.7% and 5.4%, respectively. Our fixed rate secured bonds bore a coupon rate of 5.7%. During the Track Record Period, we also obtained borrowings from our related parties, for which the interest rates were

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negotiated on an arm's length basis. In 2012, 2013 and 2014, the average cost rate of related party loans was 5.3%, 4.6% and 5.4%, respectively. As we continue to pursue financial independence from our Controlling Shareholders, we reduced our reliance on loans from related parties during the Track Record Period, and settled all loans from related parties in full in June 2015.

Cost of Product Sales

Cost of product sales represents the cost of medical equipment. In 2012, 2013 and 2014, our cost of product sales was RMB4.6 million, RMB7.8 million and RMB8.3 million, respectively, primarily driven by the growth of our clinical department upgrade services.

Cost of Operating Leases

Cost of operating leases represents depreciation expenses of leased medical equipment. In 2012, 2013 and 2014, we incurred cost of operating leases of RMB7.8 million, RMB15.4 million and RMB14.2 million, respectively, reflecting the changes in carrying value of our outstanding operating leases that are subject to depreciation in each period.

Gross Profit and Gross Margin

Gross profit represents revenue less cost of sales. In 2012, 2013 and 2014, we had gross profit of RMB388.5 million, RMB632.8 million and RMB933.1 million, respectively. The increase in gross profit in these periods was primarily driven by the growth of our overall business scale as well as the drivers set forth in “—Revenue” and “—Cost of Sales”.

Gross margin represents gross profit divided by total revenue, expressed as a percentage. In 2012, 2013 and 2014, our gross margin was 65.5%, 64.5%, and 60.1%, respectively, primarily driven by (1) our revenue mix and (2) the net interest margin and net interest spread of our financial leasing business. As the gross margin for each of our services and products vary significantly, our overall gross margin for each reporting period is largely affected by the mix of revenue from each product and business. In particular, due to our integrated solutions business model, our personnel who provide advisory services also have sales and marketing and other functions in our integrated solutions, and thus all expenses incurred in connection with the provision of advisory services are recorded as operating expenses rather than cost of sales. As a result, the entirety of our advisory service income is accounted for as gross profit. Therefore, significant changes in our advisory revenue as a percentage of total revenue would have a significant effect on our overall gross margin. In addition, as finance lease income constitutes a majority of our total revenue, the gross margin for our financial leasing business in each reporting period would also affect our overall gross margin. Given revenue from sales of medical equipment and operating leases represents a small portion of our revenue, the gross margin of these two services and products do not have a significant impact on our overall gross margin.

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The following table sets forth a breakdown of our gross profit and gross margin:

	Year ended December 31,					
	2012		2013		2014	
	Gross profit	Gross margin	Gross profit	Gross margin	Gross profit	Gross margin
	(in thousands of RMB, except for percentages)					
Financial leasing	140,914	42.3%	262,763	44.7%	446,934	42.8%
Industry equipment and financing advisory	239,631	N/A ⁽¹⁾	350,985	N/A ⁽¹⁾	444,859	N/A ⁽¹⁾
Clinical department upgrade services						
Advisory income	9,001	N/A ⁽¹⁾	19,516	N/A ⁽¹⁾	42,830	N/A ⁽¹⁾
Operating lease income	9,158	54.1	4,563	22.8	2,850	16.7
Sale of goods income	7,704	62.4	6,946	47.2	10,114	54.9
Others	4		13		335	
Business tax and surcharges . .	(17,867)	N/A	(11,947)	N/A	(14,834)	N/A
Total	<u>388,545</u>	<u>65.5%</u>	<u>632,839</u>	<u>64.5%</u>	<u>933,088</u>	<u>60.1%</u>

(1) 100.0% of our advisory services revenue is accounted for as our gross profit.

Net Interest Spread and Net Interest Margin of Finance Lease Portfolio

Net interest spread is the difference between the average yield on the average balance of our interest-earning assets, which consist of our lease receivables, and the average cost rate of the average balance of our interest-bearing liabilities, which consist of our bank and other borrowings. Net interest margin is the ratio of net interest income to the average balance of our interest-earning assets. The following table sets forth the net income spread and net income margin during the periods indicated:

	Year ended December 31,								
	2012			2013			2014		
	Average balance ⁽¹⁾	Interest income/ expense	Average yield/cost rate ⁽²⁾	Average balance	Interest income/ expense	Average yield/ cost rate	Average balance	Interest income/ expense	Average yield/ cost rate
	(in thousands of RMB, except for percentages)								
Interest-earning assets	3,831,236	333,278	8.70%	6,957,740	588,212	8.45%	11,998,222	1,043,888	8.70%
Interest-bearing liabilities	3,173,467	192,364	6.06%	5,762,099	325,449	5.65%	10,341,544	596,954	5.77%
Net interest margin			3.68%			3.78%			3.73%
Net interest spread			2.64%			2.80%			2.93%

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- (1) Average balance of interest-earning assets is calculated based on the average balance of net lease receivables before provision as of each month end within the reporting period.

Average balance of interest-bearing liabilities is calculated based on the average balance of bank and other borrowings and lease deposits as of each month end within the reporting period.

- (2) The average yield is calculated by dividing interest income by the average total balance of interest-earning assets. The average cost rate is calculated by dividing interest expense by the average total balance of our interest-bearing liabilities.

In 2012, 2013 and 2014, our net interest margin was 3.68%, 3.78% and 3.73%, respectively, and our net interest spread was 2.64%, 2.80% and 2.93%, respectively. During the Track Record Period, our increasing net interest spread reflected our enhancing pricing power for our financial leasing business as we continued to improve our integrated solutions to mitigate price competition with other financial leasing companies. However, as we increased our gearing ratio over the Track Record Period, we incurred increasing interest expenses which had a negative effect on our net interest margin.

When assessing the profitability of our financial leasing business, our management gives a higher weight on our Shareholders' return, such as return on equity, than net interest margin or net interest spread. To this end, we strive to maintain a relatively high gearing ratio while managing our credit risk in a prudent manner. In 2012, 2013 and 2014, our return on equity was 30.2%, 30.9% and 25.4%, respectively. To manage our credit risk associated with the relatively high gearing ratio, we strategically focus our financial leasing business on the fast-growing, anti-cyclical healthcare industry, particularly on regional and county level customers who are generally supported by preferential government policies in China. See "Industry Overview". In addition, we have also established a prudent risk management system to manage our credit risk, interest risk and liquidity risk. See "Risk Management". Due to these efforts, our non-performing assets ratio continued to decrease during the Track Record Period, being 1.00%, 0.91% and 0.83% as of December 31, 2012, 2013 and 2014, respectively. However, higher gearing ratio would generally increase our average cost rate of interest-bearing liabilities, and in turn lower our net interest margin and interest spread, as banks and other lenders would normally charge higher interest spread as we increase our gearing ratio.

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Other Income and Gains

The following table sets forth a breakdown of our other income and gains for the periods indicated:

	Year ended December 31,		
	2012	2013	2014
	(in thousands of RMB)		
Interest income	3,421	1,593	2,482
Foreign exchange gain	2,914	49,887	—
Derivative financial instruments - transaction not qualifying as a hedge			
- unrealized fair value losses, net	—	2,562	4,079
Government grant		646	4,756
Others	58	199	4,102
Total	6,393	54,887	15,419

In 2012, 2013 and 2014, we had other income of RMB6.4 million, RMB54.9 million and RMB15.4 million, respectively. Interest income is derived from interest on our deposits with banks. Foreign exchange gain arise primarily from our U.S. dollar denominated bank loans. As we use Renminbi as the reporting currency, changes in foreign exchange ratio between U.S. dollars and RMB affects the carrying value of our U.S. dollar denominated bank loans, and we book the difference as foreign exchange gains. Gains on derivative financial instruments are derived primarily from the interest swap we enter into with commercial banks to manage our interest rate risk exposure. See “—Derivative Financial Instruments” for details. Value-added tax refund relates to preferential tax regulations applicable to certain pilot tax payers for the implementation of value-added tax in lieu of business tax, and is recorded as government grant. The Chinese government launched a series of pilot programs in late 2011 and in 2012 requesting tax payers in certain industries to pay value-added tax in lieu of business tax. For general tax payers of certain pilot tax payers who operate financial leasing business of tangible chattel as approved by the PBOC, the CBRC or the MOFCOM, the portion of value-added tax that exceeds 3% of the total finance lease payments and other fees received by such tax payers for providing financial leasing services will be refunded by the tax authority upon collection. Accordingly, we received RMB4.5 million refunds in 2014.

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Selling and Distribution Expenses

The following table sets forth a breakdown of our selling and distribution expenses for the periods indicated:

	Year ended December 31,					
	2012		2013		2014	
	Amount	% of revenue	Amount	% of revenue	Amount	% of revenue
	(in thousands of RMB, except for percentages)					
Salary and compensation	39,158	6.6%	67,532	6.9%	84,719	5.5%
Traveling expenses	11,123	1.9	7,391	0.8	7,999	0.5
Office expenses	1,194	0.1	4,743	0.4	4,218	0.2
Advisory expenses	8,083	1.4	16,623	1.7	17,161	1.1
Others	10,738	1.8	10,585	1.1	12,198	0.8
Total	70,296	11.8%	106,874	10.9%	126,295	8.1%

In 2012, 2013 and 2014, we incurred selling and distribution expenses of RMB70.3 million, RMB106.9 million and RMB126.3 million, respectively, representing 11.8%, 10.9% and 8.1%, respectively, of our revenue. Our selling and distribution expenses consist primarily of salary and bonuses, traveling expenses and office expenses of our sales and marketing department, as well as certain advisory fees paid to third party consulting firms for marketing initiations and market survey.

Our selling and distribution expenses as a percentage of revenue decreased over the Track Record Period primarily due to (1) our continuing efforts to optimize our incentive plans for sales and marketing personnel to better align the interest of our sales and marketing personnel and ourselves and (2) increased economies of scale, primarily reflected by an increase in revenue per customer. The increase in revenue per customer was driven mainly by (i) the expansion of our integrated solutions offering which enabled us to cross sell more solutions to the same customers, and (ii) our efforts to optimize our customer base by targeting hospitals with larger revenue base.

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Administrative Expenses

The following table sets forth a breakdown of our administrative expenses for the periods indicated:

	Year ended December 31,					
	2012		2013		2014	
	Amount	% of revenue	Amount	% of revenue	Amount	% of revenue
	(in thousands of RMB, except for percentages)					
Salaries and benefits	27,971	4.7%	43,434	4.4%	66,636	4.3%
Traveling expenses	2,384	0.4	2,623	0.3	5,635	0.4
Rental expenses	7,137	1.2	10,937	1.1	14,802	1.0
Assets impairment loss	21,919	3.7	78,286	8.0	85,854	5.5
Others	17,626	3.0	19,115	1.9	17,687	1.1
Total	77,037	13.0%	154,395	15.7%	190,614	12.3%

In 2012, 2013 and 2014, we incurred administrative expenses of RMB77.0 million, RMB154.4 million, and RMB190.6 million, respectively, representing 13.0%, 15.7%, and 12.3%, respectively, of our revenue. Our administrative expenses consist primarily of salaries and benefits, traveling expenses, office rental and assets impairment losses.

Asset impairment losses consist primarily of provision for bad and doubtful lease receivables recorded based on the quality of our financial leasing assets as of the end of each reporting period. See “—Critical Accounting Policies and Estimates—Provision for Bad and Doubtful Receivables”. Excluding asset impairment losses, our administrative expenses decreased as a percentage of revenue during the Track Record Period, mainly due to the economies of scale as our business grows.

Other Expenses

In 2012, 2013 and 2014, we incurred other expenses of RMB8.5 million, RMB8.1 million and RMB20.5 million, respectively, representing 1.4%, 0.8% and 1.3%, respectively, of our revenue. During the Track Record Period, our other expenses include primarily realized losses from interest swaps we enter into to manage our interest rate risk exposure. See “—Derivative Financial Instruments” for details. In 2014, our other expenses also included a foreign exchange loss of RMB13.1 million on our U.S. dollar denominated loans, primarily due to the appreciation of U.S. dollars against Renminbi in 2014.

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Taxation

The following table sets forth a breakdown of our income tax expenses for the periods indicated:

	Year ended December 31,		
	2012	2013	2014
	(in thousands of RMB)		
Current — Hong Kong			
Tax charge for the year	—	—	193
Current — mainland China			
Tax charge for the year	63,171	119,183	160,779
Underprovision in prior years	887	456	13
Deferred tax	(2,562)	(14,033)	(6,541)
Total charge for the year	61,496	105,606	154,444

Hong Kong Profits Tax

Our Company is subject to Hong Kong profits tax. Hong Kong profits tax is calculated at the rate of 16.5% on the estimated assessable profits arising in Hong Kong. The Hong Kong profits tax in 2014 related primarily to certain financing arranging fee our Company charged certain subsidiaries in respect of the issuance of bonds in 2014, as well as certain equipment sales income of our Company.

Chinese Taxes

Our subsidiaries established in China are subject to the Chinese CIT at the rate of 25.0%. The income tax provision of our Company in respect of our operations in mainland China has been calculated at the applicable tax rate on the estimated assessable profits for the year, based on existing legislation, interpretations and practices in respect of Appendix I—“Accountants’ Report” to this prospectus.

In 2012, 2013 and 2014, our effective income tax rate was 25.7%, 25.2% and 25.3%, respectively. The effective tax rates during the Track Record Period were slightly higher than the statutory Chinese CIT rate of 25.0%, primarily because certain sales and marketing expenses in each year were not deductible from our profit for Chinese CIT purposes.

Deferred taxes generally arise where there are differences between tax basis and accounting basis. During the Track Record Period, our deferred taxes arose primarily from accrued but unpaid salary and welfare expenses as of the end of each reporting period, which is not deductible for Chinese CIT purposes. As a result, we recognized net deferred tax assets of RMB1.9 million, RMB16.0 million and RMB22.5 million as of December 31, 2012, 2013 and 2014, respectively.

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Year Ended December 31, 2014 Compared to Year Ended December 31, 2013

Revenue

Our revenue increased by 58.2% from RMB981.5 million in 2013 to RMB1,552.7 million in 2014, primarily attributable to an increase in our finance lease income and, to a lesser extent, an increase in our industry equipment and financing advisory revenue.

Finance lease income increased by RMB455.7 million, or 77.5%, from RMB588.2 million in 2013 to RMB1,043.9 million in 2014. The increase was primarily due to an increase in healthcare industry of RMB207.3 million, or 41.7% and a significant increase in education industry of RMB232.4 million. The increase in finance lease income from the healthcare industry reflected the continuing expansion of our integrated healthcare solutions from which we cross sell our financial leasing services and our strategic industry focus. The increase in finance lease income from educational projects was primarily as a result of certain large scale projects entered into with local governments to upgrade the equipment of educational institutions under their supervision in 2013 and 2014. As most of our finance leases have a term of three to five years, we derived significant finance lease income in 2014 from such projects began in both 2013 and 2014. Average yield on lease receivables, calculated based on dividing interest income by the average balance of our month-end interest-earning assets, increased from 8.45% to 8.70%, primarily driven by our enhanced pricing power as we continued to improve our integrated solutions to mitigate price competition with other financial leasing companies. This was partially offset by the negative impact by the implementation of value-added tax on our financial leasing business in September 2012. See “—Revenue—Finance Lease Income”.

Industry, equipment and financing advisory income increased by 26.7% from RMB351.0 million in 2013 to RMB444.9 million in 2014, primarily due to an increase in the number of services provided to our hospital customers, as well as an increase in the average fee per service contract which was attributable primarily to continuing expansion of the scope, complexity and added value of our advisory service. The continued increase in our industry, equipment and financing advisory revenue also reflected the growing acceptance of our integrated solution service by the market.

Clinical department upgrade services revenue increased by 44.5% from RMB54.2 million in 2013 to RMB78.3 million in 2014, mainly due to our continuing development and marketing efforts.

Cost of Sales

Our cost of sales increased by 77.7% from RMB348.6 million in 2013 to RMB619.6 million in 2014, primarily reflecting an increase in interest expenses from RMB325.4 million to RMB597.0 million. The increase in interest expenses was mainly due to an increase in the outstanding balance of bank and other borrowings to fund our growing financial leasing business. Average cost rate of interest-bearing liabilities, calculated based on dividing interest

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expense by the average balance of our month-end interest-bearing liabilities, increased slightly from 5.65% to 5.77%, primarily due to a decrease in our U.S. dollar denominated loans, which bore a lower interest rate than RMB denominated loans, as a percentage of our total bank and other borrowings.

Gross Profit and Gross Margin

As a result of the foregoing, our gross profit increased by 47.4% from RMB632.8 million in 2013 to RMB933.1 million in 2014. Our gross margin, which is equal to gross profit divided by revenue, decreased from 64.5% in 2013 to 60.1% in 2014. The decrease in gross margin was primarily driven by the change in revenue mix. Finance lease income, which has a lower gross margin than our advisory income, increased from 59.2% to 66.6% as a percentage of total revenue before business tax and surcharges. Net interest spread increased reflecting our enhanced pricing power for our financial leasing business. Net interest margin of our financial leasing business remained stable, reflecting the increased interest spread, offset by the increased interest expenses due to our increased gearing ratio.

Other Income and Gains

Other income and gains decreased by RMB39.5 million from RMB54.9 million in 2013 to RMB15.4 million in 2014, primarily due to an RMB49.9 million foreign exchange gain in 2013.

Selling and Distribution Expenses

Our selling and distribution expenses increased by 18.1% from RMB106.9 million in 2013 to RMB126.3 million in 2014, primarily due to an increase in our sales and marketing personnel and other sales and marketing expenses to support our expanding business scale. As a percentage of revenue, our selling and distribution expenses decreased from 10.9% in 2013 to 8.1% in 2014, primarily due to (1) our continuing efforts to optimize our incentive plans for sales and marketing personnel to better align the interest of our sales and marketing personnel and ourselves and (2) economies of scale primarily reflected by an increase in revenue per customer, which was driven mainly by (i) the expansion of our integrated solutions offering which enabled us to cross sell more solutions to the same customers, and (ii) our efforts to optimize our customer base by targeting hospitals with larger revenue base.

Administrative Expenses

Our administrative expenses increased by 23.4% from RMB154.4 million in 2013 to RMB190.6 million in 2014, primarily due to an increase in our salary and benefit expenses by 53.4% from RMB43.4 million in 2013 to RMB66.6 million in 2014. The increase in salary and benefit expenses was primarily due to an increase in our administrative personnel to support our expanding business scale. Our assets impairment loss increased from RMB78.3 million to RMB85.9 million, which was primarily due to the expansion of our financial leasing business.

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As a percentage of total revenue, administrative expenses decreased from 15.7% in 2013 to 12.3% in 2014. Assets impairment expenses, as a percentage of total revenue, decreased from 8.0% to 5.5%, which was primarily due to a decrease in our non-performing assets ratio from 0.91% as of December 31, 2013 to 0.83% as of December 31, 2014. Excluding the assets impairment loss, as a percentage of total revenue, administrative expenses decreased from 7.8% in 2013 to 6.7% in 2014, reflecting our economy of scale.

Other Expenses

Other expenses increased from RMB8.1 million to RMB20.5 million, primarily due to a foreign exchange loss of RMB13.1 million in 2014. The loss was primarily due to the appreciation of U.S. dollars against Renminbi in 2014, which resulted in a foreign exchange loss on the book value of our U.S. dollar denominated loans.

Profit Before Taxation

As a result of the foregoing, our profit before taxation increased by 46.1% from RMB418.3 million in 2013 to RMB611.1 million in 2014.

Income Tax Expenses

Our income tax expenses increased by 46.2%, from RMB105.6 million in 2013 to RMB154.4 million in 2014, primarily as a result of an 46.1% increase in our profit before tax.

Profit for the Year

As a result of the foregoing, our profit for the year increased by 46.0% from RMB312.7 million in 2013 to RMB456.6 million in 2014.

Year Ended December 31, 2012 Compared to Year Ended December 31, 2013

Revenue

Our revenue increased by 65.4% from RMB593.3 million in 2012 to RMB981.5 million in 2013, primarily attributable to an increase in our finance lease income and, to a lesser extent, an increase in our industry equipment and financing advisory revenue.

Finance lease income increased by RMB254.9 million, or 76.5%, from RMB333.3 million in 2012 to RMB588.2 million in 2013. The increase was primarily due to an increase in healthcare industry of RMB216.1 million, or 77.1%. The increase in finance lease income from the healthcare industry was mainly due to the expansion of our integrated healthcare solutions from which we cross sell our financial leasing business and our strategic industry focus. The growth in the scale of our financial leasing business was partially offset by a decrease of average yield on lease receivables, calculated based on dividing interest income by the average balance of our month-end interest-earning assets, from 8.70% to 8.45%. The decrease in average yield on lease receivables was primarily due to the implementation of

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value-added tax in lieu of business tax in September 2012, which had a negative effect on our finance lease income. See “—Revenue—Finance Lease Income”. This was partially offset by our enhanced pricing power as we continue to improve our integrated solutions to mitigate price competition with other financial leasing companies.

Industry, equipment and financing advisory increased by 46.5% from RMB239.6 million in 2012 to RMB351.0 million in 2013, primarily due to an increase in the number of services provided to our hospital customers, as well as an increase in the average fee per service contract which was attributable to continuing expansion of the scope, complexity and added value of our advisory service.

Clinical department upgrade services revenue increased by 41.5% from RMB38.3 million in 2012 to RMB54.2 million in 2013, mainly due to our continuing development and marketing efforts.

Cost of Sales

Our cost of sales increased by 70.2% from RMB204.8 million in 2012 to RMB348.6 million in 2013, reflecting an increase in interest expenses from RMB192.4 million to RMB325.4 million. The increase in our interest expenses was mainly due to an increase in the outstanding balance of bank and other borrowings to fund our growing financial leasing business. This was partially offset by a decrease in average cost rate of interest-bearing liabilities, calculated based on dividing interest expense by the average balance of our month-end interest-bearing liabilities, from 6.06% to 5.65%, primarily due to the implementation of value-added tax in lieu of business tax in September 2012, which reduced our interest expenses. See “—Revenue—Finance Lease Income”.

Gross Profit and Gross Margin

As a result of the foregoing, our gross profit increased by 62.9% from RMB388.5 million in 2012 to RMB632.8 million in 2013. Our gross margin, which is equal to gross profit divided by revenue, decreased from 65.5% in 2012 to 64.5% in 2013. The decrease in gross margin was primarily driven by the change in revenue mix. Finance lease income, which has a lower gross margin than our advisory income, increased from 54.5% to 59.2% as a percentage of total revenue before business tax and surcharges. Net interest spread increased reflecting our enhanced pricing power for our financial leasing business. Net interest margin of our financial leasing business remained stable, reflecting the increased interest spread, offset by the increased interest expenses due to our increased gearing ratio.

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Other Income and Gains

Other income and gains was RMB6.4 million and RMB54.9 million in 2012 and 2013, respectively. We recorded a RMB49.9 million exchange gain in 2013 compare to RMB2.9 million in 2012, primarily due to the depreciation of U.S. dollars against Renminbi in 2013, which resulted in a gain on our U.S. dollar denominated loans borrowed in 2013.

Selling and Distribution Expenses

Our selling and distribution expenses increased by 52.1% from RMB70.3 million in 2012 to RMB106.9 million in 2013, primarily due to an increase in our sales and marketing personnel and other sales and marketing expenses to support our expanding business scale. As a percentage of revenue, our selling and distribution expenses decreased from 11.8% in 2012 to 10.9% in 2013, primarily due to (1) our continuing efforts to optimize our incentive plans for sales and marketing personnel to better align the interest of our sales and marketing personnel and ourselves and (2) economies of scale primarily reflected by an increase in revenue per customer, which was driven mainly by (i) the expansion of our integrated solutions offering which enabled us to cross sell more solutions to the same customers, and (ii) our efforts to optimize our customer base by targeting hospitals with larger revenue base.

Administrative Expenses

Our administrative expenses increased significantly from RMB77.0 million in 2012 to RMB154.4 million in 2013, primarily due to an increase of our salary and benefit expenses by 55.0% from RMB28.0 million in 2012 to RMB43.4 million in 2013. The increase in salary and benefit expenses was primarily due to an increase in our administrative personnel to support our expanding business scale. Our assets impairment loss increased from RMB21.9 million to RMB78.3 million, which was primarily due to an increase in our lease assets from RMB5,291.2 million as of December 31, 2012 to RMB9,698.4 million as of December 31, 2013 as a result of the growth of our financial leasing business, and an increase in our provision coverage ratio from 104.88% to 151.01% due to the implementation of a more prudent provisioning policy in 2013.

As a percentage of total revenue, administrative expenses increased from 13.0% in 2012 to 15.7% in 2013. Our assets impairment expenses, as a percentage of total revenue, increased from 3.7% to 8.0%, which was primarily due to an increase in our provision coverage ratio from 104.88% to 151.01%. Excluding the assets impairment loss, as a percentage of total revenue, administrative expenses decreased from 9.3% in 2012 to 7.8% in 2013, reflecting our economy of scale.

Other Expenses

Other expenses decreased by 4.7% from RMB8.5 million to RMB8.1 million, primarily reflecting changes in realized and fair value losses relating to our interest rate swaps.

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Profit Before Taxation

As a result of the foregoing, our profit before taxation increased by 74.9% from RMB239.1 million in 2012 to RMB418.3 million in 2013.

Income Tax Expenses

Our income tax expenses increased by 71.7%, from RMB61.5 million in 2012 to RMB105.6 million in 2013, primarily as a result of an increase in our profit before tax by 74.9%.

Profit for the Year

As a result of the foregoing, our profit for the year increased by 76.0% from RMB177.7 million in 2012 to RMB312.7 million in 2013.

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CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Year ended December 31,		
	2012	2013	2014
	(in thousands of RMB)		
Non-current assets			
Property, plant and equipment	60,408	104,465	90,056
Loans and accounts receivables	3,724,072	6,980,698	11,471,343
Prepayments, deposits and other receivables	129,624	181,105	20,554
Available-for-sale investments	—	—	20,955
Deferred tax assets	1,923	15,956	22,497
Total non-current assets	<u>3,916,027</u>	<u>7,282,224</u>	<u>11,625,405</u>
Current assets			
Inventories	3,775	3,321	3,119
Loans and accounts receivables	1,534,912	2,584,306	4,167,986
Prepayments, deposits and other receivables	56,709	139,208	34,733
Restricted deposits	64,041	124,377	100,504
Cash and cash equivalents	307,980	318,998	453,569
Total current assets	<u>1,967,417</u>	<u>3,170,210</u>	<u>4,759,911</u>
Current liabilities			
Trade and bills payables	547,054	234,597	956,422
Other payables and accruals	266,522	379,982	325,695
Interest-bearing bank and other borrowings	2,064,506	3,358,354	4,118,187
Taxes payable	8,480	19,317	12,145
Total current liabilities	<u>2,886,562</u>	<u>3,992,250</u>	<u>5,412,449</u>
Net current liabilities	(919,145)	(822,040)	(652,538)
Total assets less current liabilities	<u>2,996,882</u>	<u>6,460,184</u>	<u>10,972,867</u>
Non-current Liabilities			
Interest-bearing bank and other borrowings	1,724,193	4,547,462	7,290,065
Other payables and accruals	408,091	738,172	1,232,568
Other liabilities	—	—	20,955
Derivative financial instruments	8,595	5,807	1,780
Total non-current liabilities	<u>2,140,879</u>	<u>5,291,441</u>	<u>8,545,368</u>
Net assets	<u>856,003</u>	<u>1,168,743</u>	<u>2,427,499</u>
Equity			
Share capital	775,291	775,291	1,579,905
Reserves	80,712	393,452	847,594
Total equity	<u>856,003</u>	<u>1,168,743</u>	<u>2,427,499</u>

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ASSETS AND LIABILITIES

Assets

As of December 31, 2012, 2013 and 2014, our total assets were RMB5,883.4 million, RMB10,452.4 million and RMB16,385.3 million, respectively. The principal component of our total assets was loans and accounts receivables, representing 89.4%, 91.5% and 95.4%, respectively, of our total assets as of December 31, 2012, 2013 and 2014, respectively.

Loans and Accounts Receivables

The following table sets forth a breakdown of our loans and accounts receivables as of the dates indicated:

	As of December 31,		
	2012	2013	2014
	(in thousands of RMB)		
Lease receivables	6,301,989	11,731,697	19,203,593
Unearned finance income	(1,010,777)	(2,033,336)	(3,353,454)
Net lease receivables	5,291,212	9,698,361	15,850,139
Accounts receivable	23,102	259	8,660
Subtotal of loans and accounts receivables	<u>5,314,314</u>	<u>9,698,620</u>	<u>15,858,799</u>
Provision for lease receivables	(55,330)	(133,616)	(219,470)
Loans and accounts receivables	<u>5,258,984</u>	<u>9,565,004</u>	<u>15,639,329</u>
Within which:			
Amounts due from related parties	<u>75,215</u>	<u>53,124</u>	<u>37,535</u>

Net lease receivables constitute a substantial majority of our loans and accounts receivables, representing 99.6%, 99.9% and 99.9% of our loans and accounts receivables as of December 31, 2012, 2013 and 2014, respectively. Net lease receivables represent lease receivables less unearned finance income.

The balance of our loans and accounts receivables increased by RMB4,306.0 million, or 81.9%, from December 31, 2012 to December 31, 2013, and increased by RMB6,074.3 million, or 63.5%, from December 31, 2013 to December 31, 2014. The increases between these dates reflected the increases in our lease receivables.

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Lease receivables

The following table sets forth our net lease receivables by industry as of the dates indicated:

	As of December 31,					
	2012		2013		2014	
	Amount	% of net lease receivables	Amount	% of net lease receivables	Amount	% of net lease receivables
	(in thousands of RMB except for percentages)					
Net lease receivables						
Healthcare	4,440,523	83.9%	7,099,239	73.2%	10,589,532	66.8%
Education	628,500	11.9	2,391,334	24.7	4,475,593	28.2
Others	222,189	4.2	207,788	2.1	785,014	5.0
Total	5,291,212	100.0%	9,698,361	100.0%	15,850,139	100.0%
Impairment provision on lease receivables	(55,330)		(133,616)		(219,470)	
Net lease receivables after impairment provisions	5,235,882		9,564,745		15,630,669	

Our net lease receivables increased by 83.3% from RMB5,291.2 million as of December 31, 2012 to RMB9,698.4 million as of December 31, 2013, and by 63.4% from December 31, 2013 to RMB15,850.1 million as of December 31, 2014. The increases during the Track Record Period were primarily driven by the continuing expansion of our financial leasing business in the healthcare industry, as well as a significant increase in financial leasing assets in the education industry. As of April 30, 2015, we had collected and settled 7.8% of net lease receivables that were outstanding of December 31, 2014.

Net lease receivables in the healthcare industry increased by 49.2% from RMB7,099.2 million as of December 31, 2013 to RMB10,589.5 million as of December 31, 2014, primarily driven by the continuing growth of our integrated healthcare solutions. During the same period, net lease receivables for educational projects increased by 87.2% from RMB2,391.3 million to RMB4,475.6 million, mainly as a result of certain large scale projects entered into with local governments in 2013 and 2014 to upgrade the equipment of educational institutions under their supervision. These business opportunities were primarily originated from our efforts on marketing healthcare projects to these local governments.

Net lease receivables in the healthcare industry increased by 59.9% from RMB4,440.5 million as of December 31, 2012 to RMB7,099.2 million as of December 31, 2013, primarily driven by the continuing growth of our integrated healthcare solutions. During the same period, net lease receivables for educational projects increased significantly from RMB628.5 million to RMB2,391.3 million, mainly as a result of certain large scale projects entered into with local governments in 2013 to upgrade the equipment of educational institutions under the local governments' supervision. These business opportunities were primarily originated from our efforts on marketing healthcare projects to these local governments.

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Aging of Lease Receivables

The following table sets forth the aggregate values of our lease receivables, broken down by the time period that has elapsed since the date of effectiveness of the relevant lease contracts, minus unearned finance income, as of the dates indicated.

	As of December 31,					
	2012		2013		2014	
	Amount	% of total	Amount	% of total	Amount	% of total
	(in thousands of RMB, except for percentages)					
Lease receivables						
Within one year	4,000,404	63.5%	7,328,876	62.5%	10,410,866	54.2%
One to two years	1,559,572	24.7	3,028,500	25.8	6,024,876	31.4
Two to three years	517,812	8.2	1,009,826	8.6	2,017,364	10.5
Three years and beyond ⁽¹⁾	224,201	3.6	364,495	3.1	750,487	3.9
Total	6,301,989	100.0%	11,731,697	100.0%	19,203,593	100.0%
Net lease receivables						
Within one year	3,252,975	61.5%	5,904,500	60.9%	8,325,909	52.5%
One to two years	1,363,289	25.8	2,568,654	26.5	5,072,871	32.0
Two to three years	468,568	8.8	891,124	9.2	1,784,898	11.3
Three years and beyond ⁽¹⁾	206,380	3.9	334,083	3.4	666,461	4.2
Total	5,291,212	100.0%	9,698,361	100.0%	15,850,139	100.0%

(1) The maximum term of our lease receivables is eight years.

Lease receivables and net lease receivables within a time period represent lease receivables and net lease receivables relating to new lease contracts that became effective during that period, and were still valid at the relevant reporting date to the period end. As of December 31, 2012, 2013 and 2014, net lease receivables with respect to financial leasing agreements entered into within one year as set forth in this table above represented 61.5%, 60.9% and 52.5% of our net lease receivables, respectively. This indicates that our ability to enter into, sign and execute new lease contracts during the Track Record Period.

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Maturity Profile of Lease Receivables

The following table sets forth a breakdown of lease receivables we will receive within the number of years as of the dates indicated:

	As of December 31,					
	2012		2013		2014	
	Amount	% of total	Amount	% of total	Amount	% of total
(in thousands of RMB, except for percentages)						
Lease receivables						
Due within one year	1,954,458	31.0%	3,439,595	29.3%	5,550,908	28.9%
Due in one to two years	1,632,257	25.9	3,029,942	25.8	4,926,903	25.7
Due in two to three years	1,288,515	20.5	2,497,656	21.3	4,128,943	21.5
Due after three years and beyond ⁽¹⁾	<u>1,426,759</u>	<u>22.6</u>	<u>2,764,504</u>	<u>23.6</u>	<u>4,596,839</u>	<u>23.9</u>
Total	<u>6,301,989</u>	<u>100.0%</u>	<u>11,731,697</u>	<u>100.0%</u>	<u>19,203,593</u>	<u>100.0%</u>
Net lease receivables						
Due within one year	1,538,840	29.1%	2,627,815	27.1%	4,243,709	26.8%
Due in one to two years	1,340,473	25.3	2,425,893	25.0	3,920,617	24.7
Due in two to three years	1,109,915	21.0	2,118,114	21.8	3,495,340	22.1
Due after three years and beyond ⁽¹⁾	<u>1,301,984</u>	<u>24.6</u>	<u>2,526,539</u>	<u>26.1</u>	<u>4,190,473</u>	<u>26.4</u>
Total	<u>5,291,212</u>	<u>100.0%</u>	<u>9,698,361</u>	<u>100.0%</u>	<u>15,850,139</u>	<u>100.0%</u>

(1) The ceiling on the maturity of these receivables is eight years.

Lease receivables and net lease receivables due within a time period represent lease receivables and net lease receivables which we will be entitled to receive during that period.

Asset Quality of Lease Receivables

We measure and monitor the asset quality of our lease receivables through our robust risk management system. See “Risk Management—Credit Risk Management” for details. We classify our lease receivables using a five-category lease receivable classification system. No Chinese laws, regulations or rules require us to classify our lease receivables under specific statutory guidelines for asset quality. However, we have voluntarily put in place a five-category lease receivable classification system which is modeled after the statutory requirements relating to asset quality classification promulgated by the CBRC for financial leasing companies and other financial institutions under its regulation. As a result, our five-category lease receivable classification system is similar and comparable to those of the financial leasing companies and other financial institutions regulated by the CBRC, which includes many of our competitors within China.

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In determining the classification of our lease receivables, we apply a series of criteria pursuant to our internal policies. These criteria are designed to assess the likelihood of repayment by the borrower and the collectability of principal and interest on our lease receivables. Our lease receivable classification criteria focus on a number of factors, to the extent applicable, and include the following ratings:

Pass. There is no reason to doubt that the loan principal and interest will be paid by the lessee in full and/or on a timely basis. There is no reason whatsoever to suspect that the lease receivables will be impaired. For example:

- The lessee has been able to pay the lease payments.
- Relevant government authorities have not issued any rules or regulations relating to the industry in which the lessee operates which limit or restrict the future development of this industry.
- There have been no adverse changes or events in the external business and operating environment.
- The lessee is in sound financial and operating condition and no circumstances have arisen which would affect the ability of the lessee to pay in full and/or on a timely basis.
- The assets or machinery underlying the lease are used properly and no circumstances have arisen which affect the lessee's intent to pay in full and/or on a timely basis.

Special Mention. Even though the lessee has been able to pay the lease payments in a timely manner, there are still factors that could adversely affect its ability to pay, such as:

- Changes in the macroeconomic environment, government policies and regulations, or circumstances which have arisen in the market and industry in which the lessee operates, that adversely impact the lessee's business and may affect its ability to pay in full and/or on a timely basis.
- The lessee has reorganized its business, or engaged in a merger, restructuring, spin-off, or similar transaction, which could negatively impact its ability to pay in full and/or on a timely basis.
- There has been a material adverse event which impacts the lessee's affiliates, parent entities, subsidiaries, or its key shareholders.
- Key financial indicators with respect to the lessee fall significantly, or fall below the industry average.

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- If the lease relates to work-in-progress, and there has been a material adverse event impacting its progress which would negatively impact the lessee's ability to pay in full and/or on a timely basis. Such material adverse events include, for example, an infrastructure construction project significantly falling behind schedule or significant budget overruns.
- The lessee does not cooperate with us.
- The collateral, secured assets or pledged assets have been impaired in value.
- Circumstances with respect to the guarantor have arisen that impact its financial and operational condition, which would affect its ability to carry out its contractual obligations.
- The assets or machinery underlying the lease have not performed to the lessee's expectations, which likely makes the lessee less inclined to pay in full and/or on a timely basis.
- If lease payments have been overdue and the financial position of the lessee has worsened or its net cash flow has become negative, then the lease receivables for this lease contract should be classified as special mention or lower.

Substandard. The lessee's ability to pay the principal and interests of the lease receivables is in question as it is unable to make its payments in full with its operating revenues and we are likely to incur losses notwithstanding the enforcement of any guarantees underlying the lease contract. Other factors include:

- The lessee is operating at a loss, and its net cash flow is negative.
- The lessee has failed to resolve issues with its internal management, which prevents it from paying in full and/or on a timely basis.
- The lessee has found it difficult to access additional funding and to pay in full and/or on a timely basis.
- The lessee is unable to fulfill its obligations to other creditors.
- The lessee is in need of debt restructuring.
- The lessee has to auction off collateral or pledged assets underlying the lease, or use its guarantee to ensure payment in full.
- The economic benefits of the assets and machinery underlying the lease prove to be less than what is anticipated, or the pecuniary return on the assets and machinery

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underlying the lease is less than our uncollected lease payments because these assets and machinery are outdated or overused, or it is not economically reasonable to repossess these assets and machinery in view of their technology, wear-and-tear or other factors.

- If a lease payment that has been categorized as special mention continues to be overdue for a period of time, then the lease receivables for this lease contract should be classified as substandard or lower.

Doubtful. The lessee's ability to pay is in question as it is unable to make lease payments in full and/or on a timely basis with its operating revenues and we are likely to incur significant losses notwithstanding the enforcement of any guarantees underlying the lease contract. Other factors include:

- A suspension or semi-suspension of the lessee's production has taken place.
- The lessee has become insolvent.
- The lessee has modified its capital structure to evade its obligations towards its bank creditors or other creditors obligations.
- The lessee's debt obligations remain overdue or unpaid following a reasonable debt restructuring and no progress has been made with their repayment.
- The lessee's bank creditors have taken legal steps to recover funds from the lessee.
- The lessee has resorted to improper means, such as fraud or misrepresentation, to obtain a loan from a bank lender.
- If a lease payment that has been categorized as substandard continues to be overdue for a period of time, the lease receivables for this lease contract shall be classified as doubtful or lower.

Loss. After taking all possible steps or going through all necessary legal procedures, lease payments remain overdue or only a very limited portion has been recovered. Other factors include:

- The lessee or the guarantor has declared bankruptcy, ceased operations, dissolution or wound down its business and is unable to pay off the outstanding lease amounts after legal settlement.
- Though the lessee has not wound down its business, it is no longer engaged in business operations. There is no possibility for production to resume. In view of these circumstances, the amount of uncollected outstanding lease payments has been confirmed.

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- Though the lessee has not ceased its business operations, there is no market demand for its products and it has become insolvent, incurred serious losses and is on the verge of ceasing operations, and the government will not provide any assistance. In view of these circumstances, the amount of uncollected outstanding lease payments has been confirmed.
- The lessee is deceased or declared as missing or deceased in accordance with General Principles of the Civil Law of the People's Republic of China. The lease receivables for this lease contract cannot be recovered following settlement of the lessee's property or legacy or after taking recourse to the guarantor.
- The lessee has broken the law and has been legally sanctioned, but its property is insufficient to fully pay the outstanding lease amount and there is no other person to assume these obligations. The lease receivables for this lease contract cannot be recovered after taking recourse to the guarantor.
- The assets and machinery underlying the lease cannot be used anymore due to outdated technology or overuse; or these assets and machinery have been damaged and we are unable to recover any compensation from insurance.
- The lessee suffered from a major act of God which resulted in a significant loss to the lessee and we are unable to recover any compensation. Part of or the entire loan will not be repaid.
- The lessee and the guarantor are unable to pay the outstanding lease amounts, and we have taken legal steps to enforce the contract against the lessee and/or the guarantee against the guarantor, only to find that they have insufficient assets to facilitate any recovery. The court will provide no further relief and the outstanding lease amounts will not be recovered.
- If a lease payment that has been categorized as doubtful continues to be overdue for a period of time, the lease receivables for this lease contract shall be classified as a loss.

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The following table sets forth the distribution of our lease receivables by the five-category lease receivable classification as of the dates indicated:

	As of December 31,					
	2012		2013		2014	
	Amount	% of net lease receivables	Amount	% of net lease receivables	Amount	% of net lease receivables
	(in thousands of RMB, except for percentages)					
Pass	4,440,859	83.9%	8,411,621	86.7%	13,358,461	84.3%
Special mention	797,598	15.1	1,198,260	12.4	2,359,549	14.8
Substandard	52,755	1.0	2,735	0.0	90,765	0.6
Doubtful	—	—	85,745	0.9	41,364	0.3
Loss	—	—	—	—	—	—
Net lease receivables	<u>5,291,212</u>	<u>100.0%</u>	<u>9,698,361</u>	<u>100.0%</u>	<u>15,850,139</u>	<u>100.0%</u>
Non-performing assets⁽¹⁾	52,755		88,480		132,129	
Non-performing asset ratio⁽²⁾	1.00%		0.91%		0.83%	

(1) Non-performing assets are defined as those lease receivables having objective evidence of impairment as a result of one or more events that occur after initial recognition and that event has an impact on the estimated future cash flows of lease receivables that can be reliably estimated. These lease receivables are classified as “substandard”, “doubtful” or “loss”.

(2) The non-performing assets ratio is the percentage of non-performing assets over net lease receivables as of the applicable date.

We had non-performing assets of RMB52.8 million, RMB88.5 million and RMB132.1 million as of December 31, 2012, 2013 and 2014, respectively. The increase in the balance of our non-performing assets was primarily attributable to the increase in the balance of our total lease assets due to the expansion of our financial leasing businesses. Our non-performing assets ratios were 1.00%, 0.91% and 0.83% as of December 31, 2012, 2013 and 2014, respectively. The decreasing non-performing assets ratios were primarily as a result of our prudent and improving risk management system and policies.

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Movements in Non-Performing Assets

The following table sets forth changes in the outstanding balance of our non-performing assets of our lease receivable portfolio during the periods indicated.

	Year ended December 31,		
	2012	2013	2014
	(in thousands of RMB)		
Opening balance	62,972	52,755	88,480
Downgrades ⁽¹⁾	11,150	50,904	50,972
Upgrades	(15,337)	(8,257)	—
Recoveries	(6,030)	(6,922)	(7,323)
Transfer-out ⁽²⁾	—	—	—
Write-offs	—	—	—
Closing balance	<u>52,755</u>	<u>88,480</u>	<u>132,129</u>

(1) Represents downgrades of lease receivables classified as pass or special mention at the end of the previous year and lease receivables newly re-classified in the current year to non-performing categories.

(2) Consists primarily of the transfer of non-performing assets to foreclosed assets.

Ratio of overdue receivables

The following table sets forth the ratio of overdue lease receivables, representing those over 30 days overdue, as of the dates indicated.

	As of December 31,		
	2012	2013	2014
Overdue ratio (over 30 days) ⁽¹⁾	2.27%	0.92%	0.96%

(1) Calculated based on net lease receivables which are more than 30 days overdue divided by total net lease receivables.

Provisions for Impairment of Lease Receivables and Write-Offs

We assess our lease receivables for impairment, determine a level of allowance for impairment losses, and recognize any related provisions made in a year, using the concept of impairment under HKAS 39 “Financial Instruments: Recognition and Measurement”. See “—Critical Accounting Policies and Estimates—Provision for Bad and Doubtful Receivables” for our provisioning policies.

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The following table sets forth the distribution of provisions for impairment of lease receivables by assessment methodology as of the dates indicated:

	As of December 31,		
	2012	2013	2014
	(in thousands of RMB, except for percentages)		
Individually assessed	13,189	44,251	57,199
Collectively assessed	42,141	89,365	162,271
Total	<u>55,330</u>	<u>133,616</u>	<u>219,470</u>
Non-performing assets	52,755	88,480	132,129
Provision coverage ratio ⁽¹⁾	104.88%	151.01%	166.10%

(1) Calculated based on the balance of provisions for impairment of lease receivables divided by the balance of non-performing assets.

Our provision coverage ratio increased from 104.88% as of December 31, 2012 to 151.01% as of December 31, 2013, and to 166.10% as of December 31, 2014. With the expansion of our business, our management believes that it is necessary to take more prudent measures to protect our company against the systemic risks and move towards to the international standards and practices. We consequently increased our provisions for asset impairment. This in turn resulted in an increase in the provision coverage ratio.

The following table sets forth the allocation of our provision for impairment losses by classification of lease receivables as of the dates indicated:

	As of December 31,								
	2012			2013			2014		
	Amount	% of total	Provision to loan ⁽¹⁾	Amount	% of total	Provision to loan	Amount	% of total	Provision to loan
	(in thousands of RMB, except for percentages)								
Pass.	23,403	42.3%	0.53%	52,285	39.1%	0.62%	71,049	32.4%	0.53%
Special mention	18,738	33.9	2.35	37,080	27.8	3.09	91,224	41.6	3.81
Substandard	13,189	23.8	25.00	685	0.5	25.05	22,230	10.1	24.49
Doubtful	—	—	—	43,566	32.6	50.8	34,969	15.9	84.54
Loss	—	—	—	—	—	—	—	—	—
Total	<u>55,330</u>	<u>100.0%</u>	<u>1.05%</u>	<u>133,616</u>	<u>100%</u>	<u>1.38%</u>	<u>219,470</u>	<u>100%</u>	<u>1.38%</u>

(1) Calculated by dividing the provision for impairment losses on lease receivables in each category by the total net lease receivables in that category.

During the Track Record Period, we did not write off any lease assets and we did not have any lease assets classified as “loss”.

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Accounts Receivable

Our accounts receivable are generated from sales of medical equipment and provision of advisory services. As of December 31, 2012, 2013 and 2014, we had RMB23.1 million, RMB0.3 million and RMB8.7 million certain accounts receivable, respectively.

Certain Other Assets

Cash and cash equivalents were RMB308.0 million, RMB319.0 million and RMB453.6 million as of December 31, 2012, 2013 and 2014, respectively, representing 5.2%, 3.1% and 2.8% of total assets as of the same dates, respectively. We manage our cash and cash equivalents based on our treasury department's assessment of our liquidity position.

Restricted deposits were RMB64.0 million, RMB124.4 million and RMB100.5 million as of December 31, 2012, 2013 and 2014, respectively, representing 1.1%, 1.2% and 0.6% of total assets as of the same dates, respectively. Restricted deposits are deposits pledged to banks to secure the factoring arrangements with banks to finance a portion of our financial leasing business.

Property, plant and equipment were RMB60.4 million, RMB104.5 million and RMB90.1 million as of December 31, 2012, 2013 and 2014, respectively, representing 1.0%, 1.0% and 0.5% of total assets as of the same dates, respectively. Changes during the Track Record Period primarily reflected changes in the carrying value of medical equipment under operating leases to hospital customers.

Prepayments, deposits and other receivables consist primarily of prepayments for finance leases that have not become effective. As of December 31, 2012, 2013 and 2014, we had prepayments, deposits and other receivables of RMB186.3 million, RMB320.3 million and RMB55.3 million, respectively, representing 3.2%, 3.1% and 0.3% of total assets as of the same dates, respectively. Since 2014, we have changed our payment arrangements with customers, and therefore our prepayments, deposits and other receivables decreased significantly as of December 31, 2014.

Inventories represent medical equipment we own in inventory for resale purposes. As we do not typically place orders to equipment suppliers until we receive orders from hospital customers, we had only minimal inventories during the Track Record Period. We had inventories of RMB3.8 million, RMB3.3 million and RMB3.1 million as of December 31, 2012, 2013 and 2014, respectively.

Deferred tax assets were RMB1.9 million, RMB16.0 million and RMB22.5 million as of December 31, 2012, 2013 and 2014. The increases in the amounts of deferred tax assets during the Track Record Period were primarily due to an increase in our accrued but unpaid salary and welfare expenses as of the end of each reporting period and provision for impairment of lease assets with the increase in our lease receivables, which is not deductible for Chinese CIT purposes.

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LIABILITIES

As of December 31, 2012, 2013 and 2014, our total liabilities were RMB5,027.4 million, RMB9,283.7 million and RMB13,957.8 million, respectively. The principal component of our total liabilities was interest-bearing bank and other borrowings, representing 75.4%, 85.2% and 81.7%, respectively, of our total liabilities as of December 31, 2012, 2013 and 2014, respectively.

Interest-Bearing Bank and Other Borrowings

Our interest-bearing bank and other borrowings consist primarily of bank loans, due to related parties, bonds and other loans. The following table sets forth a breakdown of our interest-bearing bank and other borrowings as of the dates indicated:

	As of December 31,			As of
	2012	2013	2014	April 30, 2015
	(in thousands of RMB)			
Bank loans	1,763,512	5,756,619	7,483,429	8,537,474
Due to related parties	1,696,273	1,651,377	1,024,644	762,516
Bonds	—	—	1,591,521	1,589,022
Other loans	328,914	497,820	1,308,658	2,938,447
Total	3,788,699	7,905,816	11,408,252	13,827,459

Our interest-bearing bank and other borrowings are incurred primarily to finance our financial leasing business. The balance of our interest-bearing bank and other borrowings increased significantly by RMB4,117.1 million, or 108.7% from December 31, 2012 to December 31, 2013, and increased by RMB3,502.4 million, or 44.3%, from December 31, 2013 to December 31, 2014. These increases primarily reflected the increases in our lease receivables between those dates. In recent years, we have sought to diversify our funding sources, and issued secured bonds with a total principal amount of RMB1,600.0 million in 2014. Historically, we obtained financing from related parties, primarily GT-HK and GT-PRC Finance, in the form of unsecured loans to finance our financial leasing business. However, as we intend to enhance our financial independence over the Track Record Period, we reduced our financing from related parties, as a percentage of our total interest-bearing bank and other borrowings from 44.8% as of December 31, 2012 to 20.9% as of December 31, 2013, and to 9.0% as of December 31, 2014. As of April 30, 2015, the balance of our interest-bearing bank and other borrowings was RMB13,827 million. As of the same date, we had unutilized credit facilities in the total amount of RMB5,625.6 million.

Under the credit agreements we entered into with banks, we are bound by certain covenants, including primarily: (1) debt to equity ratio: (i) calculated based on our total bank and other borrowings less borrowings from related parties and owner's equity, shall not exceed six times; and (ii) calculated based on our bank and other borrowings less borrowings from and guarantees by related parties, shall not exceed 5.5 times; (2) total equity shall not be less than

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RMB700 million; (3) Earnings before interest, taxes, depreciation and amortization to interest expenses ratio shall not be less than 1.5 times; (4) dividend payout ratio, defined as dividends to net profit, shall not exceed 50.0%; (5) paid in capital plus provisions for impairment loss shall not be less than seven times of non-performing assets and (6) maintenance of a specified minimum holding in the issued share capital of our Company by GT-PRC. During the Track Record Period and up to the Latest Practicable Date, these covenants did not materially and adversely affect our ability to seek additional debt or equity financing to fund our growing financial leasing business, we had not breached any of the covenants relating to any of our outstanding bank borrowings. We have received waivers from the relevant banks from strict compliance with the dividend payout ratio covenant, to the effect that any action to declare or pay dividends by us that exceed the covenant threshold shall not constitute an event of default under the relevant credit agreements.

The following table sets forth a breakdown of the balances of our current and non-current bank and other borrowings as of the dates indicated:

	As of December 31,						As of April 30,	
	2012		2013		2014		2015	
	Amount	% of total	Amount	% of total	Amount	% of total	Amount	% of total
(in thousands of RMB, except for percentages)								
Current	2,064,506	54.5%	3,358,354	42.5%	4,118,187	36.1%	5,571,083	40.3%
Non-current	1,724,193	45.5	4,547,462	57.5	7,290,065	63.9	8,256,376	59.7
Total	<u>3,788,699</u>	<u>100.0%</u>	<u>7,905,816</u>	<u>100.0%</u>	<u>11,408,252</u>	<u>100.0%</u>	<u>13,827,459</u>	<u>100.0%</u>

Our current interest-bearing bank and other borrowings as a percentage of our total interest-bearing bank and other borrowings were 54.5%, 42.5%, 36.1% and 40.3% of our total interest-bearing bank and other borrowings as of December 31, 2012, 2013 and 2014 and April 30, 2015, respectively. The proportion of current interest-bearing bank and other borrowings over total interest-bearing bank and other borrowings decreased during the Track Record Period primarily due to an increase in the usage of long-term borrowings to further lower our liquidity risk.

The following table sets forth a breakdown of the balances of our secured and unsecured bank and other borrowings as of the dates indicated:

	As of December 31,						As of April 30,	
	2012		2013		2014		2015	
	Amount	% of total	Amount	% of total	Amount	% of total	Amount	% of total
(in thousands of RMB, except for percentages)								
Secured	1,942,426	51.3%	4,045,826	51.2%	6,049,635	53.0%	6,123,259	44.3%
Unsecured	1,846,273	48.7	3,859,990	48.8	5,358,617	47.0	7,704,200	55.7%
Total	<u>3,788,699</u>	<u>100.0%</u>	<u>7,905,816</u>	<u>100.0%</u>	<u>11,408,252</u>	<u>100.0%</u>	<u>13,827,459</u>	<u>100.0%</u>

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Our secured interest-bearing bank and other borrowings as a percentage of our total interest-bearing bank and other borrowings were 51.3%, 51.2%, 53.0% and 44.3% of our total interest-bearing bank and other borrowings as of December 31, 2012, 2013 and 2014 and April 30, 2015, respectively. The pledged assets with respect to our secured bank borrowings are primarily lease receivables.

The following table sets forth a breakdown of the balances of our guaranteed and unguaranteed bank and other borrowings as of the dates indicated:

	As of December 31,						As of April 30,	
	2012		2013		2014		2015	
	Amount	% of total	Amount	% of total	Amount	% of total	Amount	% of total
(in thousands of RMB, except for percentages)								
Guaranteed	1,133,758	29.9%	1,985,438	25.1%	1,548,712	13.6%	1,471,476	10.6%
Non-guaranteed	<u>2,654,941</u>	<u>70.1</u>	<u>5,920,378</u>	<u>74.9</u>	<u>9,859,540</u>	<u>86.4</u>	<u>12,355,983</u>	<u>89.4%</u>
Total	<u><u>3,788,699</u></u>	<u><u>100.0%</u></u>	<u><u>7,905,816</u></u>	<u><u>100.0%</u></u>	<u><u>11,408,252</u></u>	<u><u>100.0%</u></u>	<u><u>13,827,459</u></u>	<u><u>100.0%</u></u>

During the Track Record Period, the balance of our guaranteed interest-bearing bank and other borrowings as a percentage of our total interest-bearing bank and other borrowings represented 29.9%, 25.1%, 13.6% and 10.6% of our total interest-bearing bank and other borrowings as of December 31, 2012, 2013 and 2014 and April 30, 2015, respectively.

On May 26, 2015, CU Leasing issued asset-backed securities with an aggregate principal amount of RMB1,141.9 million (“ABS”) to institutional investors through an asset management plan. The ABS has four senior tranches and one subordinated tranche. CU Leasing received proceeds of RMB912 million from the senior tranches which have an annualized average yield of 5.48% and maturity periods from one year to five years. The subordinated tranche was purchased by CU Leasing and no proceeds were received. As collateral to support the ABS, CU Leasing transferred to the holders under the ABS certain rights to leasing income, collateral security interest and other rights it held as part of underlying finance lease contracts.

The ABS is a fixed income instrument structured as a securitized interest in a pool of receivables derived from the underlying finance lease contracts and is not linked to, or convertible into, the Shares. Assets collateralized under the ABS consist of lease receivables from 41 existing underlying finance lease agreements in the healthcare sector, amounting to RMB1,384.3 million.

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The following table sets forth a breakdown of different tranches of the ABS as of May 26, 2015:

	Principal amount	% of total	Yield to maturity	Maturity date
	(in millions of RMB)		(%)	
Senior A1	146.0	12.8%	4.80	May 30, 2016
Senior A2	219.0	19.2	5.20	May 30, 2018
Senior A3	365.0	32.0	5.50	May 28, 2020
Senior B	182.0	15.9	6.43	May 28, 2020
Subordinated	229.9	20.1	N/A	May 28, 2020
Total	<u>1,141.9</u>	<u>100%</u>		

We plan to raise additional debt funding in an aggregate amount of RMB3.0 billion to RMB5.0 billion in 2015 to fund our business growth via a combination of bank and other borrowings. In June 2015, we filed an application for the issuance of short-term financing bonds and medium-term bills in the inter-bank market in China in the amount of RMB0.45 billion and RMB0.9 billion, respectively. We expect to issue such instruments by end of the third quarter of 2015. Except as disclosed above, we do not currently have any other material debt financing plans.

As of April 30, 2015, we had indebtedness of RMB13,827 million, which was the outstanding balance of our interest-bearing bank and other borrowings. Except for (1) a litigation with a financial leasing customer involving a claim by the customer in the aggregate amount of RMB1.3 million and (2) bank and other borrowings disclosed above, as of April 30, 2015, being the latest practicable date for our indebtedness statement, we did not have any loan capital or debt securities issued or agreed to be issued, outstanding bank overdrafts and liabilities under acceptances or other similar indebtedness, debentures, mortgages, charges or loans or acceptance credits, finance leases or hire purchase commitments or guarantees or material contingent liabilities.

Certain Other Liabilities

Other payables and accruals were RMB674.6 million, RMB1,118.2 million and RMB 1,558.3 million as of December 31, 2012, 2013 and 2014, respectively, representing 13.4%, 12.0% and 11.2% of total liabilities as of the same dates, respectively. Other payables and accruals include primarily lease deposits paid by customers, certain accrued interest on borrowings from related parties, as well as accrued salary and welfare payables.

Trade and bill payables were RMB547.1 million, RMB234.6 million and RMB956.4 million as of December 31, 2012, 2013 and 2014, respectively, representing 10.9%, 2.5% and 6.9% of total liabilities as of the same dates, respectively. Our trade and bill payables primarily represent purchase price payables to equipment suppliers (in respect of direct leases) and customers (in respect of sale-and-lease-back) for equipment under finance leases.

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Other liabilities were RMB21.0 million as of December 31, 2014, representing 0.2% of total liabilities as of the same date. We did not have other liabilities as of December 31, 2012 and 2013.

SHAREHOLDERS' EQUITY

We had RMB856.0 million, RMB1,168.7 million, RMB2,427.5 million and RMB2,620.6 million shareholders' equity as of December 31, 2012, 2013, 2014 and April 30, 2015, respectively. Our strategic investors include CITIC Capital Leasing, ICBCI, Jublon and Chow Tai Fook. On June 19, 2012, CITIC Capital Leasing and Jublon subscribed 50,265,679 and 9,807,937 Shares respectively, at the respective investment amounts of US\$50.3 million and US\$9.8 million. In February and October 2014, all shareholders of our Company subscribed for additional Shares for a total consideration of US\$50.0 million and US\$81.3 million, respectively. See "1(d) of the financial statements set forth in Appendix I—"Accountants' Report" to this prospectus.

As of April 30, 2015, we had RMB990.4 million in retained profits, representing reserves available for distribution to shareholders.

LIQUIDITY AND CAPITAL RESOURCES

Our primary uses of capital are to fund our finance leases extend to customers and the working capital of our other businesses. During the Track Record Period, we financed our finance leases primarily through bank borrowings and proceeds from issuing bonds and Shares, and we issued certain asset-bank securities in May 2015. After the Listing, we also expect to fund part of our capital needs using the proceeds from the Global Offering.

Cash Flows

The following table sets forth our cash flows for the periods indicated:

	Year ended December 31,		
	2012	2013	2014
	(in thousands of RMB)		
Net cash flows used in operating activities	(1,592,904)	(4,119,417)	(4,110,715)
Net cash flows used in investing activities	(60,492)	(582)	(741)
Net cash flows from financing activities	<u>1,679,992</u>	<u>4,140,880</u>	<u>4,247,903</u>
Net increase in cash and cash equivalents	<u>26,596</u>	<u>20,881</u>	<u>136,447</u>

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Net Cash Used in Operating Activities

In 2014, we had net cash used in operating activities of RMB4,110.7 million, which was primarily attributable to profit before taxation of RMB611.1 million, adjusted to reflect an increase of RMB6,175.8 million in loans and accounts receivables reflecting the growth of our financial leasing business, partially offset by adding back (1) an increase of RMB613.4 million in trade and bills payable, (2) an increase of RMB690.0 million in other payables and accruals, which mainly reflected the amount of customer deposits for finance leases and (3) finance costs of RMB597.0 million.

In 2013, we had net cash used in operating activities of RMB4,119.4 million, which was primarily attributable to profit before taxation of RMB418.3 million, adjusted to reflect (1) an increase of RMB4,406.4 million in loans and accounts receivables reflecting the growth of our financial leasing business and (2) a decrease of RMB312.2 million in trade and bills payable. Such adjustments were partially offset by adding back (1) an increase of RMB414.5 million in other payables, accrued liabilities and expenses, which mainly reflected the amount of customer deposits for finance leases and (2) finance costs of RMB325.4 million.

In 2012, we had net cash used in operating activities of RMB1,592.9 million, which was primarily attributable to profit before taxation of RMB239.1 million, adjusted to reflect an increase of RMB2,274.5 million in loans and accounts receivables reflecting the growth of our financial leasing business, partially offset by adding back (1) an increase of RMB347.7 million in trade and bills payable, (2) an increase of RMB152.4 million in other payables, accrued liabilities and expenses, which mainly reflected the amount of customer deposits for finance leases and (3) finance costs of RMB192.4 million.

Trade and other payables represent primarily unpaid but accrued principal amounts of finance leases. The balance of trade and bills payables at each year end depends on the number of finance leases that became effective around year end, and thus is ad-hoc in nature and fluctuates among the end of each reporting period.

Net Cash Used in Investing Activities

Our net cash used in investing activities during the Track Record Period represents cash paid for acquisition of property, plant and equipment, intangible assets and other long-term assets in each reporting period.

Net Cash Generated from Financing Activities

In 2012, 2013 and 2014, we generated RMB1,680.0 million, RMB4,140.9 million and RMB4,247.9 million net cash from financing activities, respectively, primarily from cash received from borrowings of RMB2,132.2 million, RMB5,564.2 million and RMB6,206.2 million, respectively, partially offset by repayments of borrowings of RMB755.2 million, RMB1,363.0

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million and RMB2,076.0 million, respectively. The increase in borrowings during the Track Record Period was primarily for the purpose of financing our expanding financial leasing business. In addition, in 2012 and 2014, we raised capital by issuing new Shares, and received proceeds of RMB380.9 million and RMB804.6 million, respectively.

Capital Management

The primary objective of our capital management activities is to ensure that we maintain healthy capital ratios in order to support our business and maximize our shareholder benefits. We manage and adjust our capital structure in light of changes in general economic conditions and our financial position and liquidity. To maintain or adjust the capital structure, we may adjust dividend payments to shareholders, return capital to shareholders or raise funds through increasing debt or issuing new equity. No significant changes were made to the objectives, policies or processes for managing capital during the Track Record Period. We use gearing ratio to monitor our capital. Gearing ratio is calculated as bank and other borrowings divided by total equity. The following table sets forth the breakdown of our gearing ratios for the reporting periods indicated:

	Year ended December 31,		
	2012	2013	2014
	(in thousands of RMB, except for percentages)		
Bank and other borrowings	3,788,699	7,905,816	11,408,252
Total equity.	<u>856,003</u>	<u>1,168,743</u>	<u>2,427,499</u>
Gearing ratio	<u>442.6%</u>	<u>676.4%</u>	<u>470.0%</u>

We aim to make prudent but sufficient use of capital leverage for our operations by monitoring our gearing ratio to avoid potential liquidity risk.

Liquidity and Net Current Liabilities

Liquidity risk is the risk that funds will not be available to meet liabilities as they fall due. This may arise from amounts or maturity mismatches of assets and liabilities. We manage our liquidity risk primarily by (1) monitoring the maturity profiles of our assets and liabilities to ensure that we have sufficient funds to meet obligations when due and (2) daily, weekly and monthly cash flow monitoring and management. See “Risk Management—Liquidity Risk Management” for details.

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During the Track Record Period, we financed our financial leasing assets principally through bank and other borrowings. We seek to optimize the mix of our short-term and long-term borrowings so as to lower our funding cost in a prudent manner. The following table sets forth the maturity profile of our financial assets and liabilities based on contractual undiscounted cash flows as of the dates indicated:

	<u>On demand</u>	<u>Less than three months</u>	<u>Three to 12 months</u>	<u>One to five years</u>	<u>Over five years</u>	<u>Total</u>
	(in thousands of RMB)					
As of December 31, 2012						
Total financial assets	334,724	731,292	1,426,005	4,239,248	88,778	6,820,047
Total financial liabilities	(62,499)	(545,435)	(2,327,063)	(2,294,978)	(23,621)	(5,253,596)
Liquidity risk gap	<u>272,225</u>	<u>185,857</u>	<u>(901,058)</u>	<u>1,944,270</u>	<u>65,157</u>	<u>1,566,451</u>
As of December 31, 2013						
Total financial assets	349,478	1,212,731	2,589,981	8,194,481	43,360	12,390,031
Total financial liabilities	(58,964)	(600,097)	(3,350,489)	(5,743,792)	(18,784)	(9,772,126)
Liquidity risk gap	<u>290,514</u>	<u>612,634</u>	<u>(760,508)</u>	<u>2,450,689</u>	<u>24,576</u>	<u>2,617,905</u>
As of December 31, 2014						
Total financial assets	502,000	1,309,851	4,256,640	13,583,973	5,988	19,658,452
Total financial liabilities	(10,725)	(2,051,965)	(3,771,471)	(9,327,592)	(13,140)	(15,174,893)
Liquidity risk gap	<u>491,275</u>	<u>(742,114)</u>	<u>485,169</u>	<u>4,256,381</u>	<u>(7,152)</u>	<u>4,483,559</u>

As of December 31, 2012, liquidity risk exposure with respect to liabilities maturing within 12 months was primarily due to our usage of short-term borrowings from related parties, primarily GT-HK and GT-PRC Finance, instead of long-term bank and other borrowings. We believed we would generally be able to renew these borrowings with these related parties when due, and thus we do not consider the current portion of borrowings from related parties imposes on us a significant liquidity risk similar to the current portion of bank borrowings. To achieve financial independence from our Controlling Shareholders, we have been reducing borrowings from related parties. As of December 31, 2012, 2013 and 2014, current portion of our borrowings from related parties was RMB1,130.6 million, RMB1,383.5 million and RMB1,024.6, respectively, representing 29.8%, 17.5% and 9.0% of our total bank and other borrowings, respectively. We repaid all outstanding borrowings from related parties in full in June 2015 by borrowing new bank loans. The effective interest rate of these new bank loans is lower than the overall effective interest rate of the borrowings from related parties to be repaid, and thus the repayment did not have an adverse effect on our overall funding cost. In addition, over 80.0% of these new bank loans are long-term loans. Therefore, immediately after the repayment, we had a net current assets position.

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As of December 31, 2012, 2013 and 2014, we had net current liabilities of RMB919.1 million, RMB822.0 million and RMB652.5 million, respectively, representing 31.8%, 20.6% and 12.1% of our current liabilities, respectively. The following table sets forth our current assets and current liabilities during as of the dates indicated:

	As of December 31,			As of
	2012	2013	2014	April 30, 2015
	(in thousands of RMB)			
Current assets				
Inventories	3,775	3,321	3,119	2,755
Loans and accounts receivables	1,534,912	2,584,306	4,167,986	4,746,250
Prepayments, deposits and other receivables	56,709	139,208	34,733	125,659
Restricted deposits	64,041	124,377	100,504	119,683
Cash and cash equivalents	307,980	318,998	453,569	774,956
Total	<u>1,967,417</u>	<u>3,170,210</u>	<u>4,759,911</u>	<u>5,769,303</u>
Current liabilities				
Trade and bills payables	547,054	234,597	956,422	84,416
Other payables and accruals	266,522	379,982	325,695	281,743
Interest-bearing bank and other borrowings	2,064,506	3,358,354	4,118,187	5,647,870
Taxes payable	8,480	19,317	12,145	387
Total	<u>2,886,562</u>	<u>3,992,250</u>	<u>5,412,449</u>	<u>6,014,416</u>
Net current liabilities	<u>(919,145)</u>	<u>(822,040)</u>	<u>(652,538)</u>	<u>(245,113)</u>

The net current liabilities during the Track Record Period was also primarily due to our usage of short-term borrowings from related parties instead of long-term bank and other borrowings, as we believe we would generally be able to renew short-term borrowings from related parties. Excluding short-term borrowings from related parties, we would have had net current assets of RMB211.4 million, RMB561.4 million and RMB372.1 million as of December 31, 2012, 2013 and 2014, respectively. In addition, as of April 30, 2015, we had committed but unused credit facilities of RMB5,625.6 million, all of which are short-term facilities without restrictions on drawdown other than customary conditions. Therefore, we believe our liquidity risk would further decrease after the Listing. Going forward, we intend to continue to enhance our liquidity risk management capabilities by imposing a more stringent requirement on our Treasury Department for matching the maturity profiles of our assets and liabilities.

Considering that (1) excluding the balance of borrowings from related parties, we would have recorded net current assets during the Track Record Period, (2) as of the Latest Practicable Date, our committed but unused credit facilities in an amount that exceeded the balance of our net current liabilities and (3) the balance of net current liabilities during the Track Record Period was relatively small compared to the scale of our assets and liabilities, our Directors believe that we will be able to satisfy our working capital requirements in the next 12 months from the date of this prospectus. After due consideration of the foregoing factors and discussions with our management, the Joint Sponsors have no reason to believe that the Directors' foregoing belief is unreasonable.

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Capital Expenditure

During the Track Record Period, our capital expenditure consists primarily of expenditure on the acquisition of medical equipment and other equipment relating to our operating leasing business and office renovation. In 2012, 2013 and 2014, we had capital expenditure of RMB60.5 million, RMB0.6 million and RMB0.7 million, respectively, which included expenditure on the acquisition of medical equipment of RMB59.7 million, nil and nil, respectively.

In 2015 and 2016, we expect to incur capital expenditure of RMB20.0 million and RMB25.0 million, respectively. The capital expenditure relates primarily to the servers we plan to acquire in connection with our newly development hospital digitalization servers and expenditure relating to office renovation.

Working Capital

Taking into account the financial resources available to us, including the expected cash generated from our operations, our available banking facilities and the estimated net proceeds from the Global Offering, our Directors are of the opinion that we will have sufficient working capital required to fund our operations for at least the next 12 months from the date of this prospectus.

RELATED PARTY TRANSACTIONS

During the Track Record Period, we entered into various transactions with GT-PRC, our ultimate Controlling Shareholder, and its subsidiaries that are not within our Group. We (1) granted financial leasing facilities to related parties, (2) obtained loans from related parties, (3) sells medical equipment to certain related parties mainly as the distributors of the medical equipment for which we are exclusive sales agents in China, (4) acquired equipment from certain related parties for on-leasing to third parties as part of our financial leasing business, (5) leased part of our office spaces from certain related parties and (6) service fees and consulting fees from and to related parties in the ordinary course of our business. The following table sets forth revenue from and expenses to related parties by nature of transaction for the periods indicated:

	Year ended December 31,		
	2012	2013	2014
	(in thousands of RMB)		
Selling goods to related parties	6,509	5,094	10,812
Interest income from related parties	253	252	675
Service fee income from related parties	5,484	270	—
Purchased leased assets from related parties	33,854	28,733	12,478
Rental expenses to related parties	6,359	9,993	13,280
Interest expenses on borrowings	73,712	65,346	73,478
Consulting services fees	1,133	306	137
Finance lease income	5,524	3,994	2,831

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The following table sets forth our receivables from and payables to related parties as of the dates indicated:

	As of December 31,		
	2012	2013	2014
	(in thousands of RMB)		
Loans and accounts receivables	75,215	53,124	37,535
Prepayments, deposits and other receivables	—	1,576	1,912
Total receivables from related parties	<u>75,215</u>	<u>54,700</u>	<u>39,447</u>
Borrowings due to related parties	1,696,273	1,651,377	1,024,644
Trade and bills payables to related parties	250	—	108,439
Other payables and accruals	<u>195,854</u>	<u>252,979</u>	<u>22,506</u>
Total payables to related parties	<u>1,892,377</u>	<u>1,904,356</u>	<u>1,155,589</u>

See “Connected Transactions” for the nature and details of our related party transactions. We repaid all borrowings from related parties in full in June 2015.

COMMITMENTS

We lease certain properties for office use under operating lease agreements with leasing terms that range from one to three years. The following table sets forth our operating lease commitments as of the dates indicated:

	As of December 31,		
	2012	2013	2014
	(in thousands of RMB)		
Within one year	2,264	5,293	14,207
In the second to fifth years, inclusive	<u>770</u>	<u>350</u>	<u>173</u>
Total	<u>3,034</u>	<u>5,643</u>	<u>14,380</u>

As of December 31, 2012, 2013 and 2014, we also had outstanding credit commitment of RMB139.4 million, RMB874.1 million and RMB637.5 million, respectively, representing primarily finance leases for which we have entered into but have not disbursed the funds under such leases. As of December 31, 2014, we had capital commitment of RMB11.5 million relating primarily to office renovation. We did not have any capital commitment as of December 31, 2012 or 2013.

CONTINGENT LIABILITIES

As of the Latest Practicable Date, except for a litigation with a financial leasing customer involving a claim by the customer in the aggregate amount of RMB1.3 million, we did not have any material contingent liabilities. See “Business—Legal Proceedings and Compliance—Legal Proceedings” for a description of the litigation.

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KEY FINANCIAL RATIOS

The table below sets forth our key financial ratios as of the dates or for the periods indicated:

	As of and for the year ended December 31,		
	2012	2013	2014
Gross margin	65.5%	64.5%	60.1%
Net profit margin	29.9%	31.9%	29.4%
Return on equity ⁽¹⁾	30.2%	30.9%	25.4%
Return on total assets ⁽²⁾	3.8%	3.8%	3.4%
Current ratio ⁽³⁾	68.2%	79.4%	87.9%
Gearing ratio ⁽⁴⁾	442.6%	676.4%	470.0%
Risky assets to equity ratio ⁽⁵⁾	6.51	8.68	6.80

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- (1) Return on equity is calculated by dividing (i) net profit by (ii) the average of the beginning and end balance of shareholders' equity of a given period and multiplying by 100.0%.
 - (2) Return on assets is calculated by dividing (i) net profit by (ii) the average of the beginning and end balance of total assets of a given period and multiplying by 100.0%.
 - (3) Current ratios are calculated by dividing (i) current assets by (ii) current liabilities at the end of the period and multiplying by 100.0%.
 - (4) Gearing ratio is calculated by dividing (i) total bank and other borrowings by (ii) total equity at the end of the period and multiplying by 100.0%.
 - (5) Risky assets to equity ratio is calculated by dividing (i) total risky assets calculated as total assets less cash and cash equivalents by (ii) end balance of shareholders' equity of a given period. Risky asset to equity ratio is calculated in respect of CU Leasing only.

Pursuant to the Measures for the Administration of Foreign Investment in the Leasing Industry, issued by the MOFCOM on February 3, 2005, the risky assets of a MOFCOM-approved financial leasing company, calculated as total amount of residual assets after deducting cash, bank deposits, PRC treasury securities and entrusted leased assets from the total assets of the company, should generally not exceed 10 times the company's shareholders' equity. Furthermore, in the Measures for Supervision and Administration of Finance Leasing Enterprises issued on September 18, 2013, MOFCOM stipulated that the risky assets of a financial leasing company shall not exceed 10 times the company's shareholders' equity and required the provincial MOFCOM to maintain ongoing monitoring of the risky assets ratio of financial leasing companies. However, neither of the aforementioned measures stipulates any penalty for breaching such requirement.

Gross Margin

For details on our gross margin and net profit margin, see “—Gross Profit and Gross Margin”.

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Return on Equity

In 2012, 2013 and 2014, our return on equity was 30.2%, 30.9% and 25.4%, respectively. The decrease in return on equity between December 31, 2013 and December 31, 2014 was primarily due to our increase of total equity in 2014. We strive to maintain a relatively high gearing ratio while managing our credit risk in a prudent manner to maintain a relatively high return on equity. In order to achieve a relatively high return on equity while prudently management risks associated with a relatively high gearing ratio, we strategically focus our financial leasing business on the fast-growing, anti-cyclical healthcare industry, particularly on regional and county level customers who are generally supported by preferential government policies in China. See “Industry Overview”. In addition, we have also established a prudent risk management system to manage our credit risk, interest risk and liquidity risk. See “Risk Management”. Due to these efforts, our non-performing assets ratio decrease during the Track Record Period, being 1.00%, 0.91% and 0.83% as of December 31, 2012, 2013 and 2014, respectively. After the Listing, we expect that our equity will increase significantly, which may negatively affect our return on equity in the near future.

Return on Assets

In 2012, 2013 and 2014, our return on assets was 3.8%, 3.8% and 3.4%, respectively. The decrease in return on assets in 2014 compared to 2013 was primarily due to a decrease in revenue from advisory income as a percentage of total revenue, as the advisory business has a much higher return on assets than the financial leasing business. In 2013, although revenue from advisory income decreased compared to 2012, as we had higher net interest margin for our financial leasing business, our return on assets remained flat between 2012 and 2013.

Current Ratio

As of December 31, 2012, 2013 and 2014, our current ratio was 68.2%, 79.4%, and 87.9%, respectively. Our current ratio remained stable during the Track Record Period, reflecting our stable working capital position.

Gearing Ratio

As of December 31, 2012, 2013 and 2014, our gearing ratio was 442.6%, 676.4% and 470.0%, respectively. Our gearing ratio remained stable throughout the Track Record Period, reflecting our consistent liquidity risk management strategy.

DERIVATIVE FINANCIAL INSTRUMENTS

During the Track Record Period, we entered into interest swaps to manage our interest rate risk exposure. As of December 31, 2012, 2013 and 2014, our borrowings with floating interest rates determined with reference to LIBOR and measured at amortized cost amounted to US\$149 million, US\$255 million and US\$165.7 million respectively. To manage the interest rate exposure arising from these borrowings, we entered into interest rate swap contracts with certain banks in Hong Kong or China. As of December 31, 2012, 2013 and 2014, the total

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nominal amount of interest rate swap contracts was US\$149 million, US\$255 million and US\$165.7 million respectively. Changes in the fair value of the financial derivatives amounting to a loss of RMB1.9 million, a gain of RMB2.6 million and a gain of RMB4.1 million were credited or charged to the statement of profit or loss in 2012, 2013 and 2014, respectively.

In order to manage risks associated with derivative financial instruments, we have adopted internal guidelines for entering into derivative financial instruments. We require that (1) all derivative financial instruments be entered into for hedging but not speculative purposes, (2) other than interest rate swaps, we may not enter into other types of derivative financial instruments and (3) all derivative financial instruments be entered into with banking institutions. We have adopted an approval procedure to review the main risks and the terms of each derivative financial instrument before we enter into it. Our Corporate Finance Department is mainly responsible for reviewing and entering into hedging transactions and each of our Treasury Department, Legal Department and our senior management is responsible for supervising and overseeing such hedging transactions. During the Track Record Period, there was no material derivation from our internal guidelines.

OFF-BALANCE SHEET ARRANGEMENTS

As of the Latest Practicable Date, we did not have any material off-balance sheet arrangements. Other than those derivative financial instruments as set forth in “—Derivative Financial Instruments”, we have not entered, and do not intend to enter, into any derivative transactions for trading purposes.

Listing Expenses

We have incurred professional and other fees with respect to the Listing. In accordance with the relevant accounting standards, listing related fees that are directly attributable to issuance of new Shares are recorded as prepaid expenses, which will be deducted from equity upon the Listing. The remaining listing related fees are charged to statements of profit or loss and other comprehensive income. We expect that the total amount of listing related expenses, including underwriting fees and commission, will be approximately RMB140.9 million, assuming the mid-point of the Offer Price range stated in this prospectus. Of such expenses, RMB32.4 million are expected to be charged to our consolidated statements of profit or loss. Of this RMB32.4 million, RMB0.3 million was recognized as other expenses during the Track Record Period and the balance amount of RMB32.1 million is expected to be recognized in 2015.

MARKET RISK DISCLOSURE

Our principal financial instruments comprise lease receivables, trade receivables, trade payables, bank loans, other interest-bearing loans, cash and short term deposits. The main purpose of bank and other interest-bearing loans, cash and short term deposits is to finance our operations while other financial assets and liabilities such as lease receivables, trade receivables and trade payables are directly related to our operating activities.

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We are exposed to various types of market risks in the ordinary course of business, primarily including interest rate risk, currency risk, credit risk and liquidity risk.

Market Risk

Interest Rate Risk

We are exposed to interest risk, which is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Our exposure to the risk of changes in market interest rates relates primarily to our interest-bearing bank and other borrowings and lease receivables.

A principal part of our Company's management of interest rate risk is to monitor the sensitivity of projected net interest income under varying interest rate scenarios (simulation modelling). Our Company aims to mitigate the impact of prospective interest rate movements which could reduce future net interest income, while balancing the cost of such risk mitigation measure.

The following table sets forth a sensitivity analysis to a reasonably possible change in interest rate, with all other variables held constant, to our Company's profit before tax:

	Increase/(decrease) in profit before tax Year ended December 31,		
	2012	2013	2014
	(in thousands of RMB)		
Change in basis points			
+100 basis points	19,365	10,570	40,558
- 100 basis points.	(19,365)	(10,570)	(40,558)

The sensitivity of the profit before tax is the effect of the assumed changes in interest rates on profit before tax, based on the financial assets and financial liabilities held at the end of each reporting period subject to repricing within the coming year. We are exposed to cash flow interest rate in relation to variable rates bank borrowings during the year. It is our policy to keep its borrowings at floating rate of interests so as to minimize the fair value interest rate risk.

The interest rate sensitivities set out in the tables above are for illustration only and are based on simplified scenarios. The figures represent the effect of the pro forma movements in profit before tax based on the projected yield curve scenarios and our Company's current interest rate risk profile. This effect, however, does not incorporate actions that would be taken by management to mitigate the impact of interest rate risk. The projections above also assume that interest rates of financial instruments with different maturities move by the same amount and, therefore, do not reflect the potential impact on profit before tax in the case where some rates change while others remain unchanged.

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Currency Risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in foreign exchange rates. Our exposure to the risk of changes in foreign exchange relates primarily to the operating activities of our Company (when receipt or payment is settled using a currency that is different from the functional currency).

We conduct our businesses mainly in RMB, with certain transactions denominated in US\$, and also other currencies to a lesser extent. Our treasury operations exposure mainly arises from the transactions in foreign currencies excluding RMB. We seek to limit our exposure to foreign currency risk by minimizing our net foreign currency position.

The exchange rate of US\$ to RMB is managed under a floating exchange rate system. The HK\$ exchange rate has been pegged to the US\$ and therefore the exchange rate of HK\$ to RMB has and will fluctuate in line with the changes in the exchange rate of US\$ to RMB.

The following table sets forth a sensitivity analysis of exchange rate change of the currency to which our company had significant exposure on our monetary assets and liabilities and forecast cash flows.

<u>Currency</u>	<u>Change in foreign exchange rate</u>	<u>Increase/(decrease) in profit before tax Year ended December 31,</u>		
		<u>2012</u>	<u>2013</u>	<u>2014</u>
	%	(in thousands of RMB)		
U.S. dollars . If Renminbi strengthens against U.S. dollars	(1)	16,182	28,170	18,159
If Renminbi weakens against U.S. dollars	1	(16,182)	(28,170)	(18,159)

The analysis calculates the effect of a reasonably possible movement in the currency rate against RMB, with all other variables held constant, on profit before tax. This effect, however, is based on the assumption that our foreign exchange exposures as at the end of each reporting period are kept unchanged and, therefore, have not incorporated actions that would be taken by us to mitigate the adverse impact of this foreign exchange risk.

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The following tables set forth breakdowns of the assets and liabilities analyzed by currency for the indicated reporting periods are as follows:

	As of December 31, 2012			
	RMB	US\$	Others	Total
	(In thousands of RMB equivalent)			
FINANCIAL ASSETS:				
Loans and accounts receivables	5,258,984	—	—	5,258,984
Deposits and other receivables	178,138	—	—	178,138
Restricted deposits	64,041	—	—	64,041
Cash and cash equivalents	306,904	1,075	1	307,980
Total financial assets	<u>5,808,067</u>	<u>1,075</u>	<u>1</u>	<u>5,809,143</u>
FINANCIAL LIABILITIES:				
Trade and bills payables	547,054	—	—	547,054
Other payables and accruals	532,720	114,411	2	647,133
Interest-bearing bank and other borrowings	2,292,426	1,496,273	—	3,788,699
Derivative liabilities	—	8,595	—	8,595
Total financial liabilities	<u>3,372,200</u>	<u>1,619,279</u>	<u>2</u>	<u>4,991,481</u>
Net position	<u>2,435,867</u>	<u>(1,618,204)</u>	<u>(1)</u>	<u>817,662</u>
	As of December 31, 2013			
	RMB	US\$'	Others	Total
	(In thousands of RMB equivalent)			
FINANCIAL ASSETS:				
Loans and accounts Receivables	9,565,004	—	—	9,565,004
Deposits and other Receivables	310,488	—	—	310,488
Restricted deposits	124,377	—	—	124,377
Cash and cash equivalents	313,278	4,593	1,127	318,998
Total financial assets	<u>10,313,147</u>	<u>4,593</u>	<u>1,127</u>	<u>10,318,867</u>
FINANCIAL LIABILITIES:				
Trade and bills payables	234,597	—	—	234,597
Other payables and accruals	879,297	170,553	—	1,049,850
Interest-bearing bank and other borrowings	5,259,447	2,646,369	—	7,905,816
Derivative liabilities	—	5,807	—	5,807
Total financial liabilities	<u>6,373,341</u>	<u>2,822,729</u>	<u>—</u>	<u>9,196,070</u>
Net position	<u>3,939,806</u>	<u>(2,818,136)</u>	<u>1,127</u>	<u>1,122,797</u>

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	As of December 31, 2014			
	RMB	US\$'	Others	Total
	(In thousands of RMB equivalent)			
FINANCIAL ASSETS:				
Loans and accounts Receivables	15,635,974	—	3,355	15,639,329
Deposits and other Receivables	38,834	—	130	38,964
Available-for-sale investments	20,955	—	—	20,955
Restricted deposits	100,504	—	—	100,504
Cash and cash equivalents	371,291	81,409	869	453,569
Total financial assets.	<u>16,167,558</u>	<u>81,409</u>	<u>4,354</u>	<u>16,253,321</u>
FINANCIAL LIABILITIES:				
Trade and bills payables	955,663	—	759	956,422
Other payables and accruals	1,425,849	20,592	2	1,446,443
Interest-bearing bank and other borrowings.	9,529,685	1,878,567	—	11,408,252
Derivative liabilities	—	1,780	—	1,780
Total financial liabilities	<u>11,911,197</u>	<u>1,900,939</u>	<u>761</u>	<u>13,812,897</u>
Net position.	<u>4,256,361</u>	<u>(1,819,530)</u>	<u>3,593</u>	<u>2,440,424</u>

Credit Risk

Credit risk is the risk of loss arising from a lessee's or counterparty's inability to meet its obligations.

We enter into transactions only with the recognized and creditworthy third parties. In accordance with the policy of ours, we examine and verify the credit risk of all customers that our Group has credit transactions with. Besides, our Group monitors and controls the lease receivables regularly to mitigate the risk of significant exposure from bad debts.

Our other financial assets include primarily cash and bank deposits, accounts receivable, notes receivables and derivative financial instruments. The credit risk of these financial assets arises from the counterparty's inability to meet its obligations. The maximum exposure to credit risk equals to the carrying amounts of these assets.

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Credit risk is also affected by concentration in industry or geographical location. Our customers are diversely located across different provinces of mainland China. Lessees of us are from different industries as follows:

	Year ended December 31,		
	2012	2013	2014
	(in thousands of RMB)		
Net lease receivables			
Healthcare	4,440,523	7,099,239	10,589,532
Education	628,500	2,391,334	4,475,593
Others	<u>222,189</u>	<u>207,788</u>	<u>785,014</u>
	5,291,212	9,698,361	15,850,139
Less: Impairment provision on lease receivables	<u>(55,330)</u>	<u>(133,616)</u>	<u>(219,470)</u>
Net	<u><u>5,235,882</u></u>	<u><u>9,564,745</u></u>	<u><u>15,630,669</u></u>

As our customers are widely dispersed and are engaged in different industries, there is no significant credit risk concentration within our company.

The quantitative data of exposure to credit risk arising from lease receivables, notes receivables, accounts receivable, derivative financial instruments and other receivables are set out in Note 19, Note 16 and Note 20 of Appendix I—"Accountants' Report", respectively.

The analysis of financial assets which are neither past due nor impaired is as follows:

	Year ended December 31,		
	2012	2013	2014
	(in thousands of RMB)		
Lease receivables	5,080,736	9,460,775	15,692,233
Accounts receivable	23,102	259	8,660
Deposits and other receivables	<u>178,138</u>	<u>310,488</u>	<u>38,964</u>

As of December 31, 2012, 2013 and 2014, the assets which are past due but are not considered impaired amounted to RMB157.7 million, RMB149.1 million and RMB25.8 million respectively. The following table sets forth an aging analysis of our loans and accounts receivable as of the dates indicated:

	Less than 90 days	90 days to 1 year	1 year to 3 years	Over 3 years	Total
	(in thousands of RMB)				
December 31, 2012	133,649	23,855	217	—	157,721
December 31, 2013	122,709	18,029	6,702	1,666	149,106
December 31, 2014	11,707	14,070	—	—	25,777

FINANCIAL INFORMATION

Liquidity Risk

Liquidity risk is the risk that funds will not be available to meet liabilities as they fall due. This may arise from mismatches in amounts or duration with regard to the maturity of financial assets and liabilities.

We manage our liquidity risk through daily, monthly and quarterly monitoring with the following objectives: maintaining the stability of the leasing business, projecting cash flows and evaluating the level of current assets and liquidity of us, maintaining an efficient internal fund transfer mechanism.

The following table sets forth the maturity profile of our financial assets and liabilities based on the contractual undiscounted cash flows as of the dates indicated:

	As of December 31, 2012					
	On demand	Less than three months	Three to 12 months	One to five years	Over five years	Total
	(in thousands of RMB)					
FINANCIAL ASSETS:						
Loans and accounts receivables	26,744	517,848	1,405,437	4,230,954	88,778	6,269,761
Deposits and other receivables	—	165,611	12,527	—	—	178,138
Restricted deposits	—	47,833	8,041	8,294	—	64,168
Cash and cash equivalents	307,980	—	—	—	—	307,980
Total financial assets	334,724	731,292	1,426,005	4,239,248	88,778	6,820,047
FINANCIAL LIABILITIES:						
Trade and bills payables	42,542	358,933	145,579	—	—	547,054
Other payables and accruals	19,957	13,500	120,743	447,844	23,621	625,665
Interest-bearing bank and other borrowings	—	173,002	2,060,741	1,838,539	—	4,072,282
Derivative liabilities	—	—	—	8,595	—	8,595
Total financial liabilities	62,499	545,435	2,327,063	2,294,978	23,621	5,253,596
Liquidity rate risk exposure	272,225	185,857	(901,058)	1,944,270	65,157	1,566,451

FINANCIAL INFORMATION

As of December 31, 2013

	On demand	Less than three months	Three to 12 months	One to five years	Over five years	Total
(in thousands of RMB)						
FINANCIAL ASSETS:						
Loans and accounts receivables	30,480	805,150	2,571,826	8,185,185	43,360	11,636,001
Deposits and other receivables	—	300,378	10,110	—	—	310,488
Restricted deposits	—	107,203	8,045	9,296	—	124,544
Cash and cash equivalents	318,998	—	—	—	—	318,998
Total financial assets	<u>349,478</u>	<u>1,212,731</u>	<u>2,589,981</u>	<u>8,194,481</u>	<u>43,360</u>	<u>12,390,031</u>
FINANCIAL LIABILITIES:						
Trade and bills payables	42,542	134,291	57,764	—	—	234,597
Other payables and accruals	16,422	13,834	116,685	873,439	18,784	1,039,164
Interest-bearing bank and other borrowings	—	451,972	3,172,356	4,868,230	—	8,492,558
Derivative liabilities	—	—	3,684	2,123	—	5,807
Total financial liabilities	<u>58,964</u>	<u>600,097</u>	<u>3,350,489</u>	<u>5,743,792</u>	<u>18,784</u>	<u>9,772,126</u>
Liquidity rate risk exposure	<u>290,514</u>	<u>612,634</u>	<u>(760,508)</u>	<u>2,450,689</u>	<u>24,576</u>	<u>2,617,905</u>

As of December 31, 2014

	On demand	Less than three months	Three to 12 months	One to five years	Over five years	Total
(in thousands of RMB)						
FINANCIAL ASSETS:						
Loans and accounts Receivables	48,431	1,217,783	4,225,974	13,546,284	5,988	19,044,460
Deposits and other Receivables	—	16,230	6,000	16,734	—	38,964
Restricted deposits	—	75,838	24,666	—	—	100,504
Available-for-sale investments	—	—	—	20,955	—	20,955
Cash and cash equivalents	453,569	—	—	—	—	453,569
Total financial assets	<u>502,000</u>	<u>1,309,851</u>	<u>4,256,640</u>	<u>13,583,973</u>	<u>5,988</u>	<u>19,658,452</u>
FINANCIAL LIABILITIES:						
Trade and bills payables	16	797,462	158,945	—	—	956,423
Other payables and accruals (excluding interest payable)	10,709	120,870	59,731	1,490,744	13,140	1,695,194
Interest-bearing bank and other borrowings	—	1,133,633	3,552,795	7,835,068	—	12,521,496
Derivative liabilities	—	—	—	1,780	—	1,780
Total financial liabilities	<u>10,725</u>	<u>2,051,965</u>	<u>3,771,471</u>	<u>9,327,592</u>	<u>13,140</u>	<u>15,174,893</u>
Liquidity rate risk exposure	<u>491,275</u>	<u>(742,114)</u>	<u>485,169</u>	<u>4,256,381</u>	<u>(7,152)</u>	<u>4,483,559</u>

FINANCIAL INFORMATION

DISTRIBUTABLE RESERVES

As of December 31, 2014, our distributable reserves were RMB915.7 million.

PRO FORMA ADJUSTED CONSOLIDATED NET TANGIBLE ASSETS

The following is an illustrative statement of our pro forma adjusted consolidated net tangible assets attributable to owners of our Company which has been prepared in accordance with paragraph 29 of Chapter 4 of the Listing Rules for the purpose of illustrating the effect of the Listing as if the Listing had taken place on December 31, 2014.

	Consolidated net tangible assets of our Group attributable to owners of our Company as of December 31, 2014 ⁽¹⁾⁽⁵⁾	Estimated net proceeds from the Global Offering ⁽²⁾	Pro forma adjusted consolidated net tangible assets of our Group attributable to owners of our Company	Pro forma adjusted consolidated net tangible assets of our Group attributable to owners of our Company per Share ⁽³⁾	
	(in thousands of RMB)			RMB	HK\$⁽⁴⁾
Based on the Offer Price of HK\$7.68 per Offer Share	2,427,499	2,423,546	4,851,045	2.87	3.64
Based on the Offer Price of HK\$10.00 per Offer Share	2,427,499	3,198,141	5,625,640	3.32	4.21

⁽¹⁾ The consolidated net tangible assets attributable to owners of our Company as of December 31, 2014 is extracted from Accountants' Report set forth in Appendix I to this prospectus, which is based on the consolidated net assets of our Group attributable to owners of our Company as of December 31, 2014 of approximately RMB2,427.5 million.

⁽²⁾ The estimated net proceeds from the Global Offering are based on 423,189,500 Shares to be issued under the Global Offering and the Offer Price of HK\$7.68 per Offer Share and HK\$10.00 per Offer Share, being the lower end and upper end of the stated Offer Price range, after deduction of the underwriting fees and other related expenses (excluding approximately HK\$0.4 million listing-related expense which has been accounted for prior to December 31, 2014) payable by the Company in connection with the Global Offering. It does not take into account of any Shares that may be issued pursuant to the exercise of the Over-Allotment Option. The estimated net proceeds from the Global Offering are converted from Hong Kong dollars into Renminbi at the rate of HK\$1.00 to RMB0.79.

⁽³⁾ The unaudited pro forma adjusted consolidated net tangible assets of our Group attributable to owners of our Company per Share is calculated based on 1,692,755,580 Shares expected to be in issue immediately following the completion of the Global Offering. It does not take into account of any Shares that may be issued pursuant to the exercise of the Over-Allotment Option.

⁽⁴⁾ The unaudited pro forma adjusted consolidated net tangible assets of our Group attributable to owners of our Company per Share are converted from Renminbi into Hong Kong dollars at the rate of HK\$1.00 to RMB0.79.

⁽⁵⁾ No adjustment has been made to reflect any trading result or other transaction of our Group entered into subsequent to December 31, 2014.

FINANCIAL INFORMATION

DISCLOSURE REQUIRED UNDER THE LISTING RULES

As of the Latest Practicable Date, save as disclosed in this prospectus, we were not aware of any circumstances that would give rise to a disclosure required under Rules 13.13 to 13.19 of the Listing Rules.

DIVIDEND POLICY

We declared dividends of RMB25.3 million, nil and RMB8.3 million in 2012, 2013 and 2014, respectively, all of which had been paid as of the Latest Practicable Date. Our Board of Directors has decided not to declare or pay any dividend for our profit for the year ended December 31, 2014. However, the determination to pay dividends in the future will be made at the direction of our board of directors and will be based on our profits, cash flows, financial condition, capital requirements and other conditions that our board of directors deems relevant. The payment of dividends may be limited by other legal restrictions and agreements that we may enter into in the future.

RECENT ACCOUNTING PRONOUNCEMENTS

See note 3.1 to our consolidated financial statements included in Appendix I—“Accountants’ Report” to this prospectus.

NO MATERIAL ADVERSE CHANGE

The Directors have confirmed there has been no material adverse change in our financial position or prospects since December 31, 2014 and up to the date of this prospectus.

CONNECTED TRANSACTIONS

Immediately following the completion of the Global Offering, GT-PRC will hold approximately 38.25% (assuming no exercise of the Over-Allotment Option) or approximately 36.87% (assuming full exercise of the Over-Allotment Option) of the total issued Shares through its wholly-owned subsidiaries. GT-PRC will remain a Substantial Shareholder of our Company. Therefore, GT-PRC and its associates constitute connected persons of our Company. We have entered into certain transactions with GT-PRC and its associates in the ordinary course of business during the Track Record Period and such transactions are expected to continue after the Listing Date. Therefore, such transactions will constitute continuing connected transactions under Chapter 14A of the Listing Rules.

CONTINUING CONNECTED TRANSACTIONS WITH GT-PRC AND ITS ASSOCIATES

Nature of Transaction	Applicable Listing Rules	Waiver Sought	Historical Amount (RMB million)			Proposed Annual Cap (RMB million)		
			For the Year ended December 31,			For the Year ending December 31,		
			2012	2013	2014	2015	2016	2017
Fully Exempt Continuing Connected Transactions								
Advisory Service Purchase Framework Agreement	14A.76(1)	N/A	1.1	0.3	0.1	0.8	1.0	1.2
Continuing connected transactions subject to the reporting, annual review and announcement requirements but exempt from the independent shareholders' approval requirements ("Non-exempt Continuing Connected Transactions I")								
Property Lease Framework Agreement	14A.34, 14A.35, 14A.49, 14A.71	Announcement requirements	6.4	10.0	13.3	20.0	24.0	28.0
Advisory Service Provision Framework Agreement	14A.34, 14A.35, 14A.49, 14A.71	Announcement requirements	5.5	0.3	0	2.0	2.3	2.8
Product Procurement Framework Agreement	14A.34, 14A.35, 14A.49, 14A.71	Announcement requirements	33.9	28.7	12.5	25.0	30.0	36.0
Product Sales Framework Agreement	14A.34, 14A.35, 14A.49, 14A.71	Announcement requirements	6.5	5.1	10.8	15.5	22.1	31.7
Finance Lease Framework Agreement	14A.34, 14A.35, 14A.49, 14A.71	Announcement requirements	70.2 (lease principal)	53.1 (lease principal)	35.7 (lease principal)	53.0 (lease principal)	63.6 (lease principal)	76.3 (lease principal)
			5.5 (lease interest)	4.0 (lease interest)	2.8 (lease interest)	4.1 (lease interest)	4.9 (lease interest)	5.9 (lease interest)

CONNECTED TRANSACTIONS

Nature of Transaction	Applicable Listing Rules	Waiver Sought	Historical Amount (RMB million)			Proposed Annual Cap (RMB million)	
			For the Year ended December 31,			For the Year ending December 31, 2015	For the period from January 1, 2016 to the date of the first annual general meeting of our Company after the Listing
			2012	2013	2014		
Continuing connected transactions subject to the reporting, annual review, announcement and the independent shareholders' approval requirements ("Non-exempt Continuing Connected Transactions II", together with the Non-exempt Continuing Connected Transactions I as "Non-exempt Continuing Connected Transactions")							
Deposit and Intermediary Business Service Framework Agreement	14A.34, 14A.35, 14A.36, 14A.49, 14A.71	Announcement and the independent shareholders' approval requirements	157.8 (daily maximum deposit and accrued interest)	284.5 (daily maximum deposit and accrued interest)	916.2 (daily maximum deposit and accrued interest)	1,689.0 (daily maximum deposit and accrued interest) 0.23 (intermediary business services fee)	2,413.5 (daily maximum deposit and accrued interest) 0.14 (intermediary business services fee)
			0.6 (intermediary business services fee)	0.05 (intermediary business services fee)	0.04 (intermediary business services fee)		

Fully Exempt Continuing Connected Transactions

1. Advisory Service Purchase Framework Agreement

Parties: GT-PRC and our Company

Reasons for the transactions: GT-PRC has established companies or representative offices in various countries in Europe and Americas, including Germany, Italy and the United States. The associates of GT-PRC are relatively familiar with the local markets in these countries and have maintained good cooperative relationship with the local medical device manufacturers and hospitals. Meanwhile, GT-PRC also has a large customer base and extensive sales networks in the domestic market. By leveraging the resources and experience of GT-PRC and its associates in both domestic and international markets, we can better develop our businesses.

Major terms: We entered into an advisory service purchase framework agreement ("Advisory Service Purchase Framework Agreement") with GT-PRC on June 10, 2015, pursuant to which our Company and/or our subsidiaries shall purchase advisory services from GT-PRC and/or its associates. The major terms of the Advisory Service Purchase Framework Agreement are as follows:

- GT-PRC and/or its associates shall provide advisory services to our Company and/or our subsidiaries, including but not limited to: market survey, sales promotion and marketing, meeting organization, exhibition participation, commercial negotiation, technical consultation, and financing consultation;
- with respect to specific consultation projects, our Company and/or our subsidiaries and GT-PRC and/or its associates shall enter into individual agreements which shall prescribe specific terms and conditions, including service scope, consultation fee and other terms; and

CONNECTED TRANSACTIONS

- the Advisory Service Purchase Framework Agreement shall commence from the Listing Date until December 31, 2017 and may be renewed by mutual consent.

Pricing policy: The relevant parties shall negotiate at arm's length to determine advisory service fees based on the nature and value of relevant services rendered and the actual costs and expenses incurred, with reference to the price charged by independent third party advisory service providers for services of a similar nature.

Historical amount: For the three years ended December 31, 2012, 2013 and 2014, our Group paid total advisory service fees of approximately RMB1.1 million, RMB0.3 million and RMB0.1 million, respectively, to GT-PRC and/or its associates.

Annual cap: For the three years ending December 31, 2015, 2016 and 2017, total advisory service fees payable by our Group to GT-PRC and/or its associates are not expected to exceed RMB0.8 million, RMB1.0 million and RMB1.2 million, respectively.

Basis of cap: The above proposed annual cap is based on the following factors: (i) the historical transaction amounts paid by us for advisory services provided by GT-PRC and its associates; (ii) we plan to continue to strengthen our capability for global equipment in-licensing and develop clinical department upgrade services. Therefore, we expect to maintain cooperation with GT-PRC and its associates in these areas; and (iii) the estimated increase in the fee charged for these services due to inflation and expected cost increase.

For each of the three financial years ending December 31, 2015, 2016 and 2017, the highest applicable percentage ratio under the Advisory Service Purchase Framework Agreement is less than 0.1%. Therefore, the continuing connected transactions under the Advisory Service Purchase Framework Agreement constitute de minimis transactions under Rule 14A.76(1) of the Listing Rules and are therefore fully exempt from the independent shareholders' approval, annual review and all disclosure requirements.

Non-exempt Continuing Connected Transactions I

2. Property Lease Framework Agreement

Parties: GT-PRC and our Company

Reasons for the transactions: We have been leasing certain properties from GT-PRC and/or its associates for office and warehousing purposes. Compared to independent third parties, GT-PRC and its associates (especially Genertec Real Estate Management Co., Ltd. (通用技術集團物業管理有限公司), as a professional property management company affiliated to GT-PRC)) have a better understanding of our requirements for office and warehousing properties. In addition, relocating our offices or warehouses to other premises will also incur unnecessary expenses.

CONNECTED TRANSACTIONS

Major terms: We entered into a property lease framework agreement (“Property Lease Framework Agreement”) with GT-PRC on June 10, 2015, pursuant to which our Company and/or its subsidiaries shall lease properties from GT-PRC and/or its associates for office and warehousing purposes. The major terms of the Property Lease Framework Agreement are as follows:

- with respect to the relevant leased properties, our Company and/or its subsidiaries and GT-PRC and/or its associates shall enter into individual agreements which prescribe specific terms and conditions, including rental, payment method and other terms;
- the rental payable shall be determined by the relevant parties through arm’s length negotiation in accordance with the relevant PRC laws and regulations with reference to the prevailing market price; and
- the Property Lease Framework Agreement shall commence from the Listing Date until December 31, 2017 and may be renewed by mutual consent.

Pricing policy: The rental payable during the lease term shall be determined by the relevant parties through arm’s length negotiation with reference to the historical rentals paid for such properties, the prevailing market price of local properties in proximity with a similar scale and quality and subject to our internal control measures.

Historical amount: For the three years ended December 31, 2012, 2013 and 2014, our Group paid a total rental of approximately RMB6.4 million, RMB10.0 million and RMB13.3 million, respectively, to GT-PRC and/or its associates.

Annual cap: For the three years ending December 31, 2015, 2016 and 2017, total rental payable by our Group to GT-PRC and/or its associates is not expected to exceed RMB20.0 million, RMB24.0 million and RMB28.0 million, respectively.

Basis of cap: The above proposed annual cap is based on the following factors: (i) the total property area leased by our Group from GT-PRC and its associates as of December 31, 2014; (ii) the unit rental stipulated in individual property lease agreements between our Group and GT-PRC or its associates, which is normally adjusted by GT-PRC and its associates on an annual basis with reference to prevailing market conditions. We estimate that the unit rental will increase around 10% annually based on the past rental increase made by GT-PRC and its associates and expected market rental change of local properties with a similar scale and quality; and (iii) we plan to establish a new technology information service subsidiary and develop hospital digitalization services, which require, among other things, recruiting more employees. In addition, we also need to recruit more employees to support the expansion of our existing business. We expect that the total number of our employees will grow at an average rate from 20% to 30% during 2015 to 2017. Therefore, we expect that our demand for office premises will increase at the same rate.

CONNECTED TRANSACTIONS

3. Advisory Service Provision Framework Agreement

Parties: GT-PRC and our Company

Reasons for the transactions: We are an integrated healthcare services provider offering a variety of solutions, including healthcare industry, equipment and financing advisory services, and clinical department upgrade services. We have a large customer base in the healthcare industry and have a team comprising internal and external industry experts. In our ordinary course of business, GT-PRC and its associates need to cooperate with us to broaden their customer base, develop new business opportunities and obtain financing and technical support.

Major terms: We entered into an advisory service provision framework agreement (“Advisory Service Provision Framework Agreement”) with GT-PRC on June 10, 2015, pursuant to which our Company and/or our subsidiaries shall provide advisory services to GT-PRC and/or its associates. The major terms of the Advisory Service Provision Framework Agreement are as follows:

- our Company and/or its subsidiaries shall provide advisory services to GT-PRC and/or its associates, including but not limited to: finance lease consultation, technical training, expert consultation, and market survey;
- with respect to specific consultation projects, our Company and/or its subsidiaries and GT-PRC and/or its associates shall enter into individual agreements which prescribe specific terms and conditions, including service scope, consultation fee and other terms; and
- the Advisory Service Provision Framework Agreement shall commence from the Listing Date until December 31, 2017 and may be renewed by mutual consent.

Pricing policy: The service fee we charge GT-PRC and/or its associates shall be determined by the relevant parties through arm’s length negotiation and based on the nature and value of the relevant services rendered by us and the actual costs and expenses incurred having regard to our internal control measures to ensure that terms are no less favorable to us than terms available to independent third parties.

Historical amount: For the three years ended December 31, 2012, 2013 and 2014, our Group charged total advisory service fees of approximately RMB5.5 million, RMB0.3 million and RMB0 million, respectively, from GT-PRC and/or its associates.

Annual cap: For the three years ending December 31, 2015, 2016 and 2017, total advisory service fees payable to our Group from GT-PRC and/or its associates are not expected to exceed RMB2.0 million, RMB2.3 million and RMB2.8 million, respectively.

CONNECTED TRANSACTIONS

Basis of cap: The above proposed annual cap is based on the following factors: (i) the historical transaction amounts charged by us for advisory service fees from GT-PRC and its associates; (ii) we expect GT-PRC and its associates will maintain their demand for our consultation services based on the average historical amount for the three years ended December 31, 2014 and there will also be a modest increase at a rate of around 15% during 2015 to 2017; (iii) we continue to expand our service scope pertaining to our integrated healthcare solutions, which will broaden the scope of services that we are able to provide to GT-PRC and its associates; and (iv) the estimated increase in fee charged for these services due to inflation and expected cost increase.

4. Product Procurement Framework Agreement

Parties: GT-PRC and our Company

Reasons for the transactions: GT-PRC and its associates have abundant business resources and extensive experience in integrating and introducing international advanced technology and major equipments. All import and export companies under GT-PRC are large state-owned enterprises engaged in the importation of equipments and instruments in the PRC. We have maintained a long-term cooperative relationship with GT-PRC and its associates. Leveraging on such cooperative relationship, we believe continuing to procure products from GT-PRC and its associates is more efficient and can better satisfy our need for providing customized services to our customers. In addition, equipment manufacturing companies under GT-PRC are also leading manufacturers in their respective sectors. We procure products from these companies from time to time to satisfy the needs of our non-healthcare industry customers.

Major terms: We entered into a product procurement framework agreement (“Product Procurement Framework Agreement”) with GT-PRC on June 10, 2015, pursuant to which our Company and/or our subsidiaries shall purchase relevant products and ancillary services from GT-PRC and/or its associates. The major terms of the Product Procurement Framework Agreement are as follows:

- GT-PRC and/or its associates shall sell various kinds of equipments and instruments, including but not limited to medical devices and machinery, and provide ancillary services such as logistics and warehousing services to our Company and/or its subsidiaries;
- our Company and/or its subsidiaries and GT-PRC and/or its associates shall enter into individual agreements which prescribe specific terms and conditions for the procurement of specific products, including product model and specification, purchase price, insurance and transportation arrangement and other terms; and
- the Product Procurement Framework Agreement shall commence from the Listing Date until December 31, 2017 and may be renewed by mutual consent.

CONNECTED TRANSACTIONS

Pricing policy: Purchase prices of relevant products provided by GT-PRC and/or its associates shall be determined based on the production costs or trade costs (as the case may be) of the relevant products plus a premium determined through arm's length negotiation. Such prices shall not be higher than: (i) comparable market price; and (ii) (if a comparable market price is not available) the production costs or trade costs (as the case may be) of the relevant products plus a premium determined through arm's length negotiation, in each case, having regard to our internal control measures.

Historical amount: For the three years ended December 31, 2012, 2013 and 2014, the total amount paid by our Group for product procurement from GT-PRC and/or its associates was approximately RMB33.9 million, RMB28.7 million and RMB12.5 million, respectively.

Annual cap: For the three years ending December 31, 2015, 2016 and 2017, the total amount payable by our Group for product procurement from GT-PRC and/or its associates is not expected to exceed RMB25.0 million, RMB30.0 million and RMB36.0 million, respectively.

Basis of cap: The above proposed annual cap is based on the following factors: (i) the historical transaction amounts for the procurement of equipments and devices by us from GT-PRC and its associates. We expect to maintain the level of our procurement demand based on the average historical amount for the three years ended December 31, 2014; (ii) we plan to continue to optimize our CVA project solutions and develop other clinical department upgrade services to help hospitals in the PRC establish, modernize and upgrade their clinical department capabilities in medical areas with high and growing demand, which will in turn result in our growing demand for the procurement of medical devices and instruments; and (iii) the expected increase in the production or trade costs of relevant products with reference to the general growth trend in healthcare industry.

5. Product Sales Framework Agreement

Parties: GT-PRC and our Company

Reasons for the transactions: As of the Latest Practicable Date, we are the exclusive sales agent in China for 19 medical equipment product categories covering a total of 194 medical equipment product models. The associates of GT-PRC purchase these exclusively distributed medical devices from us in the ordinary course of business from time to time. Since we own the exclusive sales agency right for these medical devices in China, we expect the associates of GT-PRC will continue to purchase these medical devices from us. In addition, we plan to develop hospital digitalization services and develop and sell our proprietary hospital information management systems. We expect that the associates of GT-PRC will need to purchase hospital information management systems from us.

Major terms: We entered into a product sales framework agreement ("Product Sales Framework Agreement") with GT-PRC on June 10, 2015, pursuant to which our Company and/or our subsidiaries shall sell exclusively distributed medical devices and proprietary hospital information management systems to GT-PRC and/or its associates. The major terms of the Product Sales Framework Agreement are as follows:

CONNECTED TRANSACTIONS

- GT-PRC and/or its associates shall purchase medical devices and hospital information management systems from our Company and/or our subsidiaries;
- our Company and/or our subsidiaries and GT-PRC and/or its associates shall enter into individual agreements to purchase specific medical devices and hospital information management systems, which prescribe specific terms and conditions including product model and specification, purchase price, insurance and transportation arrangement and other terms; and
- the Product Sales Framework Agreement shall commence from the Listing Date until December 31, 2017 and may be renewed by mutual consent.

Pricing policy: Purchase prices of relevant products offered by us shall be determined based on the research and development cost or trade cost (as the case may be) of relevant products plus a premium determined through arm's length negotiation, having regard to our internal control measures so as to ensure that terms are no less favorable to us than terms available to independent third parties.

Historical amount: For the three years ended December 31, 2012, 2013 and 2014, the total amount of purchases received by our Group from GT-PRC and/or its associates was approximately RMB6.5 million, RMB5.1 million and RMB10.8 million, respectively.

Annual cap: For the three years ending December 31, 2015, 2016 and 2017, total amount of purchases receivable by our Group from GT-PRC and/or its associates is not expected to exceed RMB15.5 million, RMB22.1 million and RMB31.7 million, respectively.

Basis of cap: The above proposed annual cap is based on the following factors: (i) the historical transaction amount of medical devices sold by us to GT-PRC and its associates and its percentage represented in our product sales income, which amounted to approximately 50% on average for the three years ended December 31, 2014. We expect to maintain such level of percentage ratio during 2015 to 2017; (ii) we plan to continue to strengthen our global medical equipment in-licensing capability. As of December 31, 2014, we had 184 CFDA registrations filed. Thus, we expect we will be able to offer more types of medical equipment to expand sales; and (iii) we plan to develop hospital digitalization services and develop and sell proprietary hospital information management system, which will enlarge the range of products we are able to provide. We believe the expected expansion of our product portfolio will contribute to the rapid increase in our product sales income.

6. Finance Lease Framework Agreement

Parties: GT-PRC and our Company

Reasons for the transactions: We provide finance lease services in respect of various equipments and devices such as medical devices, educational devices and machineries. Associates of GT-PRC seek finance lease services from us from time to time in their ordinary

CONNECTED TRANSACTIONS

course of business to support their business developments. Since we are able to provide customized finance lease service to customers, and we are familiar with finance lease requirements of GT-PRC and its associates, we expect that GT-PRC and its associates will continue to seek finance lease services from us.

Major terms: We entered into a finance lease framework agreement (“Finance Lease Framework Agreement”) with GT-PRC on June 10, 2015, pursuant to which our Company and/or our subsidiaries shall provide finance lease services to GT-PRC and/or its associates. The major terms of the Finance Lease Framework Agreement are as follows:

- GT-PRC and/or its associates shall receive finance lease services from our Company and/or our subsidiaries, including but not limited to finance lease of medical devices and machineries;
- with respect to specific finance lease projects, our Company and/or our subsidiaries shall enter into individual agreements with GT-PRC and/or its associates to prescribe specific terms and conditions, including principal, rental, ownership and use right, lease period and other terms; and
- the Finance Lease Framework Agreement shall commence from the Listing Date until December 31, 2017 and may be renewed by mutual consent.

Pricing policy: Based on the benchmark lending interest rate for a similar term set by PBOC, we determine lease interest taking into account our financing cost and risk premium based on assessment of the credit risk of the associates of GT-PRC involved, to ensure that the terms of transaction shall be no less favorable to us than the terms available to independent third parties with similar credit in the same industry. See the section headed “Internal Control Measures on Finance Lease Framework Agreement”.

Historical amount: For the three years ended December 31, 2012, 2013 and 2014, the total amount of lease principal provided by our Group to GT-PRC and/or its associates was approximately RMB70.2 million, RMB53.1 million and RMB35.7 million, respectively, and the total amount of lease interest received was approximately RMB5.5 million, RMB4.0 million and RMB2.8 million, respectively.

Annual cap: For the three years ending December 31, 2015, 2016 and 2017, the total amount of lease principal to be provided by our Group to GT-PRC and/or its associates is not expected to exceed RMB53.0 million, RMB63.6 million and RMB76.3 million, respectively, and the total amount of lease interest to be received is not expected to exceed RMB4.1 million, RMB4.9 million and RMB5.9 million, respectively.

Basis of cap: The above proposed annual cap is based on the following factors: (i) the historical transaction amount of finance lease services provided by us to GT-PRC and its associates. We estimate the finance lease demand from GT-PRC and its associates will remain at the same level based on the average lease principal for the three years ended December 31, 2014 and will increase at a rate of around 20% from 2015 to 2017 taking into

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account the general trend in macroeconomic conditions and the new developments in machinery industry; (ii) our existing finance lease contractual arrangement with GT-PRC and its associates; and (iii) the expected changes in our financing cost. We expect to maintain the level of our lease interest rate notwithstanding the recent reductions in the benchmark lending interest by means of charging risk premium, negotiating fixed lease interest rate or using our enhanced pricing power.

According to the requirements of Rule 14A.52 of the Listing Rules, the term of agreement for continuing connected transactions shall not exceed three years, unless the nature of transaction requires a longer period under special circumstances. The individual finance lease agreements entered into or to be entered into by us with GT-PRC or its associates under the Finance Lease Framework Agreement may exceed three years and would range between three to five years. Due to the nature of finance lease transactions, the leasing term for finance lease agreements entered into between us and independent third parties usually ranges from three to five years. Therefore, our Directors (including INEDs) consider that the individual finance lease agreements entered into or to be entered into by us with GT-PRC or its associates under the Finance Lease Framework Agreement for a period of not more than five years are in line with our usual business practice for a similar type of agreements. The Joint Sponsors consider that due to the nature of finance lease transactions, the individual finance lease agreements entered into or to be entered into by our Group with associates of GT-PRC under the Finance Lease Framework Agreement with a term of not more than five years are consistent with the general practice in the finance lease industry.

The individual finance lease agreements entered into or to be entered into between us and an associate of GT-PRC will comply with the terms and annual cap stipulated in the Finance Lease Framework Agreement, and upon renewal of the Finance Lease Framework Agreement, will still be subject to the terms and annual cap stipulated in the renewed finance lease framework agreement and any relevant Listing Rules requirement. Therefore, our Directors (including INEDs) consider that the arrangement for a leasing term of not more than five years is on normal commercial terms, fair and reasonable and in the interest of the Shareholders as a whole.

Non-exempt Continuing Connected Transactions II

7. Deposit and Intermediary Business Service Framework Agreement

Parties: GT-PRC Finance and our Company

GT-PRC Finance is a licensed non-bank financial institution incorporated in the PRC in September 2010 with registered capital of RMB1,000 million. GT-PRC Finance is owned as to 95% and 5% respectively by GT-PRC and CNTIC, a wholly-owned subsidiary of GT-PRC, and is regulated by the Administrative Measures for Enterprise Group Finance Companies (《企業集團財務公司管理辦法》) promulgated by the PBOC and the CBRC and other relevant regulations. Its incorporation was approved by the CBRC and its operation has been regulated by the CBRC. The regulations on interest rate promulgated by the PBOC and the CBRC are

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also applicable to it. According to the laws and regulations of the PRC, GT-PRC Finance is only permitted to provide financial services to subsidiaries of GT-PRC (including our Group). As of and for the year ended December 31, 2014, GT-PRC Finance had total assets of RMB10,458 million, current ratio of 113.9% and profits after tax of RMB127 million.

As of the Latest Practicable Date, the business scope of GT-PRC Finance includes without limitation to: (i) treasury and financing consultancy, credit verification and related consultancy and agency advices; (ii) settlement; (iii) bancassurance; (iv) guarantee; (v) entrusted loans; (vi) bill acceptance and discount; (vii) taking deposits; (viii) inter-bank borrowing; and (ix) underwriting corporate bonds of group members.

Reasons for the transactions: GT-PRC Finance is a non-bank financial institution approved and regulated by the PBOC and the CBRC. Its objectives are to strengthen centralized management of corporate group funds and increase utilization efficiency. We use GT-PRC Finance as a fund management platform to help centralize management and more efficiently allocate funds. Since GT-PRC Finance only provides financial services to member companies of GT-PRC, it has acquired in-depth knowledge about us over the years and good understanding on our capital structure, business operation, capital requirements and modes of cash flows, so as to anticipate our business needs and provide customized services for us. Moreover, entering into the Deposit and Intermediary Business Service Framework Agreement (as defined below) will not prevent our Group from using financial services from independent commercial banks in China. Our Group may still select at our own discretion independent commercial banks in China to act as our financial service provider as we deem fit and in the interest of our Group.

Major terms: We entered into a deposit and intermediary business service framework agreement (“Deposit and Intermediary Business Service Framework Agreement”) with GT-PRC Finance on June 10, 2015, pursuant to which GT-PRC Finance shall provide deposit and intermediary business services to our Group. The major terms of the Deposit and Intermediary Business Service Framework Agreement are as follows:

- GT-PRC Finance shall provide deposit and intermediary business services to our Group, including but not limited to: deposit, receipt and payment, settlement, treasury and financing advice, credit verification and consultancy and agency business;
- for specific services, our Company and/or its subsidiaries shall enter into individual agreements with GT-PRC Finance to stipulate specific terms and conditions, including service scope, deposit interest, service fee, maturity and other terms; and
- the Deposit and Intermediary Business Service Framework Agreement shall commence from the Listing Date until December 31, 2017, subject to the waiver granted by the Stock Exchange and the independent shareholders’ approval at our Company’s first annual general meeting after the Listing and may be renewed by mutual consent.

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Pricing policy: In respect of deposit service, having regard to our internal control measures set forth below, the interest rate on our deposits placed with GT-PRC Finance shall not be lower than: (i) the benchmark interest rate of similar deposits for a similar term set by the PBOC; and (ii) the interest rate of similar deposits for a similar term provided by an independent commercial bank in China to our Group.

In respect of intermediary business service, having regard to our internal control measures set forth below, the fees charged by GT-PRC Finance shall not be higher than (i) the effective fee rate published by the PBOC, CBRC or other regulators from time to time on a similar type of intermediary business service; and (ii) the fee rate charged on a similar type of intermediary business service by independent commercial banks in China on our Group.

Historical amount: For the three years ended December 31, 2012, 2013 and 2014, the daily maximum deposit (including accrued interest) of our Group placed with GT-PRC Finance was approximately RMB157.8 million, RMB284.5 million and RMB916.2 million, respectively, and the total service fees for intermediary business services paid to GT-PRC Finance by us were approximately RMB0.6 million, RMB0.05 million and RMB0.04 million, respectively.

Annual cap: For the year ending December 31, 2015 and the period from January 1, 2016 to the date of our Company's first annual general meeting after the Listing, the daily maximum deposit (including accrued interest) of our Group to be placed with GT-PRC Finance is not expected to exceed RMB1,689.0 million and RMB2,413.5 million, respectively, and the total service fees for intermediary business services payable by us to GT-PRC Finance are not expected to exceed RMB0.23 million and RMB0.14 million, respectively.

Basis of cap: The above proposed daily maximum deposit (including accrued interest) is based on: (i) our daily deposits with GT-PRC Finance during the Track Record Period; (ii) the increase in cash flows from our expected business development; (iii) the increase in cash flows from our expected financing activities, including the Global Offering and our debt funding. See "Future Plans and Use of Proceeds" and "Financial Information — Liabilities" for more details. To the extent that the net proceeds from the Global Offering are not immediately used for the purposes disclosed in the section headed "Future Plans and Use of Proceeds" and to the extent permitted by applicable laws and regulations, we may deposit part or all of the proceeds with GT-PRC Finance. In addition, we have sought to diversify our funding source in recent years. We have issued secured bonds with a total principal amount of RMB1,600 million in 2014 and assets-based securities with a total principal amount of RMB1,141.9 million in 2015. We may deposit part or all of the proceeds from our diversified funding with GT-PRC as temporary cash management; and (iv) the percentage of cash and cash equivalents in our total assets during the Track Record Period.

The above proposed annual cap on fees for intermediary business services is based on: (i) the service fees paid by us to GT-PRC Finance during the Track Record Period; and (ii) the expected increase in demand for intermediary business service due to our business expansion.

CONNECTED TRANSACTIONS

Internal Control Measures for Non-exempt Continuing Connected Transactions

For Non-exempt Continuing Connected Transactions I regarding purchasing products or services from GT-PRC and/or its associates, we have established the following internal review procedures to ensure that the pricing under the Non-exempt Continuing Connected Transactions I is fair and reasonable:

- If a comparable market price is available, we shall compare the proposed product price or service fee with the market price to ensure that the proposed product price or service fee will not be higher than the selling price of product or service of a similar type or nature provided by independent third-party suppliers or providers;
- Before selecting an associate of GT-PRC as product supplier or service provider, we shall obtain price quotations from certain independent third-party suppliers or providers, and several rounds of assessment will be conducted by various internal departments, including the relevant business department, Business Operation Department and Treasury Department. The factors to be considered by us in conducting internal assessments include price, quality, exclusivity of product or service, and value added to us;
- If no comparable market price is available, we shall conduct arm's length negotiation with the associate of GT-PRC to determine a reasonable profit margin based on the production cost or trade cost (as the case may be) of the product involved or value of the relevant service and the actual costs and expenses incurred;
- After arm's length negotiation with the associate of GT-PRC and rounds of internal assessment, the relevant internal department will report to our senior management who will approve individual transactions as appropriate;
- Our Treasury Department will regularly collect and monitor the transaction amount of continuing connected transactions to ensure timely assessment on whether the annual caps are exceeded; and
- The INEDs of our Company will also conduct annual review on the Non-exempt Continuing Connected Transactions I to ensure that such transactions have been entered into on normal commercial terms, are fair and reasonable and conducted according to the terms of the relevant framework agreement. The auditor of our Company will also conduct annual review on the pricing and annual cap of the Non-exempt Continuing Connected Transactions I.

CONNECTED TRANSACTIONS

For Non-exempt Continuing Connected Transactions I regarding supplying products or services to GT-PRC and/or its associates, we have established the following internal review procedures to ensure that terms for the Non-exempt Continuing Connected Transactions I are no less favorable to us than terms available to independent third parties:

- Our business departments will conduct market analysis on specific product or service, and make pricing proposal to our senior management after considering a number of factors, including overall market price, market share, orders and performance of major competitors, value added by relevant service and importance of customer relationship;
- Our business departments will conduct arm's length negotiation with the associate of GT-PRC, and after several rounds of internal assessment conducted on individual transactions based on the above factors by our internal departments such as Business Operation Department and Treasury Department, a final report will be made to our senior management who will approve individual transactions;
- Our business departments will also review the reasonableness of pricing for relevant products or services on regular basis according to the latest market intelligence, and report to our senior management, if necessary, for their approval of any adjustment;
- Our Treasury Department will regularly collect and monitor the transaction amount of continuing connected transactions to ensure timely assessment on whether the annual caps are exceeded; and
- The INEDs of our Company will also conduct annual review on Non-exempt Continuing Connected Transactions I to ensure that such transactions have been entered into on normal commercial terms, are fair and reasonable, and conducted according to the terms of the relevant framework agreement. The auditor of our Company will also conduct annual review on the pricing and annual cap of the Non-exempt Continuing Connected Transactions I.

Internal Control Measures on Finance Lease Framework Agreement

The provision of finance lease services to GT-PRC and/or its associates will be included in our overall risk management system for management according to our risk management policy, credit approval process and credit evaluation standards applicable to all of our customers. For details on our risk management system, policy and process, please refer to the section headed "Risk Management" in this prospectus. We screen the associates of GT-PRC according to differentiated industry standards and conduct credit assessment on them according to our credit approval process, and ultimately our Risk Assessment Committee will approve individual finance lease projects. The factors we consider in risk assessments include customer reputation, customer base, growth trend, existing debt conditions, operating cash flows and the forecast cash flows to be generated by the relevant leased equipment, and we determine the lease interest based on the risk premium assessed by these factors. In addition, the individual finance lease agreements entered into between us and the associates of

CONNECTED TRANSACTIONS

GT-PRC also provide that if there is any change in the benchmark lending interest rate for a similar term set by the PBOC, we are entitled to change the lease interest to ensure that the interest collected by us from the associates of GT-PRC timely reflects the change in our financing cost.

Internal Control Measures on Deposit and Intermediary Business Service Framework Agreement

We have adopted the following internal procedures on the Deposit and Intermediary Business Service Framework Agreement to safeguard the interest of our Shareholders as a whole:

- Our Treasury Department will obtain the relevant interest rate or fee rate quotations from GT-PRC Finance and independent commercial banks whenever we have demand for services or the PBOC adjusts the benchmark interest rate for deposits or the PBOC, CBRC or other regulators adjust the intermediary business service fee rate;
- Our Treasury Department will compare quotation from GT-PRC Finance with quotation from independent commercial banks for deposits of a similar type and maturity or similar intermediary business services. If the deposit interest rate provided by GT-PRC Finance is not lower than: (i) the benchmark interest rate of similar deposits for a similar term set by the PBOC; and (ii) the interest rate of similar deposits for a similar term provided by independent commercial banks in China to our Group; or the intermediary business fees charged by GT-PRC Finance are not higher than: (i) the effective fee rate published by the PBOC, CBRC or other regulators from time to time for similar type of intermediary business services; and (ii) the fee rate charged by independent commercial banks in China on similar type of intermediary business services, our Treasury Department will submit an application to the Chief Financial Officer or the Chief Executive Officer of our Company for review; and
- After the Chief Financial Officer or the Chief Executive Officer of our Company has reviewed an individual transaction and confirmed that the above pricing criteria and other terms in the Deposit and Intermediary Business Service Framework Agreement have been followed, approval will be granted to such individual transaction.

Furthermore, we have adopted the following internal procedures to control the risk exposure relating to our deposits with GT-PRC Finance:

- GT-PRC Finance has undertaken to provide us with annual audited accounts and interim accounts and key risk indicators that we may reasonably request at periodic intervals, which will enable us to monitor and review the financial positions of GT-PRC Finance;

CONNECTED TRANSACTIONS

- GT-PRC Finance has undertaken to notify us, to the extent permissible by applicable laws and regulations, if it is subject to any judicial, legal or regulatory proceedings or investigations that are reasonably likely to have a material adverse effect on the financial positions of GT-PRC Finance. If we consider that there is any material adverse change in the financial positions of GT-PRC Finance, we will take proper measures to protect our deposits, including early withdrawal of deposits and discontinuation of further deposits;
- GT-PRC Finance has undertaken to periodically provide us with relevant information on our deposits to enable us to monitor changes in our deposits and ensure that the relevant annual caps under the Deposit and Intermediary Business Service Framework Agreement will not be exceeded;
- Our Treasury Department will monitor our daily deposit with GT-PRC Finance and conduct periodic risk assessment on our deposits with GT-PRC Finance; and
- We have the right to require withdrawal or early termination of our deposits with GT-PRC Finance, in full or in part, to ensure our liquidity and deposit safety. If our deposits with GT-PRC Finance exceed the daily maximum deposit and accrued interest on any day, we shall transfer the excess deposits to our designated account with an independent commercial bank.

Confirmation of Directors

Our Directors (including INEDs) consider that the Non-exempt Continuing Connected Transactions have been and will be entered into in our ordinary and usual course of business and on normal commercial terms, are fair and reasonable and in the interest of our Company and Shareholders as a whole. The proposed annual caps mentioned above in respect of the Non-exempt Continuing Connected Transactions are also fair and reasonable and in the interest of our Company and our Shareholders as a whole.

The individual finance lease agreements entered into or to be entered into by us with associates of GT-PRC under the Finance Lease Framework Agreement may have a term of more than three years due to the nature of finance lease transactions. Our Directors (including INEDs) are of the view that the individual finance lease agreements entered into or to be entered into by us with associates of GT-PRC under the Finance Lease Framework Agreement with a term of not more than five years are consistent with our ordinary business practice for a similar type of agreements.

Confirmation of Joint Sponsors

The Joint Sponsors consider that the Non-exempt Continuing Connected Transactions have been and will be entered into in our Group's ordinary and usual course of business and on normal commercial terms, are fair and reasonable and in the interest of our Company and the Shareholders as a whole. The proposed annual caps mentioned above in respect of the Non-exempt Continuing Connected Transactions are also fair and reasonable and in the interest of our Company and our Shareholders as a whole.

CONNECTED TRANSACTIONS

The Joint Sponsors consider that due to the nature of finance lease transactions, the individual finance lease agreements entered into or to be entered into by our Group with associates of GT-PRC under the Finance Lease Framework Agreement with a term of not more than five years are consistent with the general practice in the finance lease industry.

Waiver from the Stock Exchange

For each of the three financial years ending December 31, 2015, 2016 and 2017, the highest applicable percentage ratio for the Non-exempt Continuing Connected Transactions I is expected to exceed 0.1% but less than 5%. Accordingly, the Non-exempt Continuing Connected Transactions I are subject to the announcement requirement under Rule 14A.35 of the Listing Rules and the annual reporting requirement under Rules 14A.49 and 14A.71 of the Listing Rules.

For each of the financial year ending December 31, 2015 and the period from January 1, 2016 to the date of the first annual general meeting of our Company after the Listing, the highest applicable percentage ratio for the Non-exempt Continuing Connected Transactions II is expected to exceed 5%. Accordingly, the Non-exempt Continuing Connected Transactions II are subject to the announcement requirement under Rule 14A.35 of the Listing Rules, independent shareholders' approval requirement under Rule 14A.36 of the Listing Rules and the annual reporting requirement under Rules 14A.49 and 14A.71 of the Listing Rules.

We have applied for and the Stock Exchange has granted a waiver from strict compliance with the announcement requirement under the Listing Rules for the Non-exempt Continuing Connected Transactions I and a waiver from strict compliance with the requirements of announcement and independent shareholders' approval under the Listing Rules for Non-exempt Continuing Connected Transactions II. The waiver granted by the Stock Exchange for the Non-exempt Continuing Connected Transactions II will be valid until our Company's first annual general meeting after the Listing. If independent Shareholders' approval cannot be obtained at our Company's first annual general meeting after the Listing, we will discontinue such transactions under the Deposit and Intermediary Business Service Framework Agreement to the extent that they constitute non-exempt continuing connected transactions under Chapter 14A of the Listing Rules. Our INEDs and the auditor of our Company will review the Non-exempt Continuing Connected Transactions on whether they are entered into in accordance with the terms and pricing policy of the relevant framework agreements as disclosed in this section. Confirmations from the INEDs and the auditor will be disclosed in the annual report of our Company each year in compliance with the requirement of the Listing Rules.

If the Listing Rules impose more stringent requirements in respect of the Non-exempt Continuing Connected Transactions in the future, we will promptly adopt measures within a reasonable time to ensure compliance with such new requirements.

DIRECTORS, SENIOR MANAGEMENT AND EMPLOYEES

OVERVIEW

The following table sets forth certain information in respect of our Directors:

Name	Age	Position/Title	Date of joining our Group	Date of first becoming a Director	Roles and responsibilities
Mr. Zhang Yichen (張懿宸先生) . . .	51	Chairman	June 2012	June 2012	Providing advice and participating in meetings of the Board in connection with matters requiring Directors' consideration and/or approval
		Non-executive Director			
Mr. Jiang Xin (姜鑫先生)	52	Vice-Chairman	June 2012	June 2012	
		Non-executive Director			Managing the overall operations of our Group, planning our business and development strategies and managing our healthcare business
Mr. Guo Weiping (郭衛平先生) . . .	59	Chief Executive Officer	August 2006	June 2012	
		Executive Director			
Ms. Peng Jiahong (彭佳虹女士) . . .	44	Chief Financial Officer	August 2006	December 2014	Responsible for financial planning and management, risk management, finance management, human resources and related administrative matters
		Deputy general manager			
		Executive Director			
Mr. Su Guang (蘇光先生)	34	Non-executive Director	December 2014	December 2014	Providing advice and participating in meetings of the Board in connection with matters requiring Directors' consideration and/or approval
Mr. Chen Weisong (陳偉松先生) . . .	36	Non-executive Director	March 2015	March 2015	
Mr. Liu Xiaoping (劉小平先生)	59	Non-executive Director	June 2012	June 2012	
Mr. Liu Zhiyong (劉志勇先生)	45	Non-executive Director	December 2005	April 2012	
Mr. Lim Yean Leng (林延齡先生) . . .	67	INED	June 2015	June 2015	Participating in meetings of the Board to bring an independent judgement on issues which are material to our Group as and when required; taking the lead where potential conflicts of interest arise and serving on the audit committee, remuneration committee and the nomination committee (as the case may be).
Mr. Li Yinquan (李引泉先生)	60	INED	June 2015	June 2015	
Mr. Chow Siu Lui (鄒小磊先生)	54	INED	June 2015	June 2015	
Mr. Kong Wei (孔偉先生)	43	INED	June 2015	June 2015	

DIRECTORS, SENIOR MANAGEMENT AND EMPLOYEES

The following table sets forth certain information in respect of our senior management:

Name	Age	Position/Title	Date of joining our Group	Date of first becoming a member of the senior management	Roles and responsibilities
Mr. Yang Jingyao (楊景耀先生)	48	Deputy general manager	January 2015	January 2015	Managing our medical equipment sourcing business
Mr. Chen Jianying (陳劍影先生)	38	Deputy general manager	August 2014	August 2014	Managing our leasing business

DIRECTORS

Our Board is responsible and has general powers for managing and leading our business. Our Board consists of two executive Directors, six non-executive Directors and four INEDs.

Chairman

Mr. Zhang Yichen (張懿宸先生), aged 51, is the Chairman of our Board and a non-executive Director. He is primarily responsible for leading and chairing the Board and providing advice and participating in meetings of the Board in connection with matters requiring Directors' consideration and/or approval. Mr. Zhang was appointed as our Director on June 19, 2012 shortly after our Company's incorporation in April 2012 and was re-designated as our non-executive Director on March 6, 2015. Mr. Zhang is also the Chairman of the board of CU Leasing.

Mr. Zhang is a member of the 11th and the 12th National Committee of the Chinese People's Political Consultative Conference. Mr. Zhang was the chairman of China Venture Capital and Private Equity Association and is currently an executive committee member of its board of governors. He is also a vice chairman of Beijing Private Equity Association and China Private Equity Association respectively.

Mr. Zhang joined CITIC Group in 2000 and was an executive director of CITIC Limited (formerly known as CITIC Pacific Limited, whose shares are listed on the main board of the Stock Exchange (stock code: 267)) from March 2000 to May 2002. Mr. Zhang participated in the formation of CITIC Capital Holdings Limited whose principal business activities include investment and management of private equity fund. He is the chairman and the chief executive officer of CITIC Capital Holdings Limited. Prior to joining CITIC Group, he was a managing director in the debt markets group of Merrill Lynch (Asia-Pacific) Limited from September 1996 to February 2000 and was mainly responsible for the debt markets business.

DIRECTORS, SENIOR MANAGEMENT AND EMPLOYEES

Mr. Zhang served as a non-executive director of Xiezhong International Holdings Limited (“**Xiezhong International**”, whose shares are listed on the Main Board of the Stock Exchange (stock code: 3663)) from September 2011 to July 2014. Since May 2002 and January 2014 respectively, Mr. Zhang has been serving as a director of Sina Corporation and an independent director of Weibo Corporation respectively, both of these companies’ securities are listed on the NASDAQ Stock Market.

Mr. Zhang was awarded a Bachelor of Science degree in Computer Science and Engineering from Massachusetts Institute of Technology, the USA in June 1986.

Through his interest in controlled corporations, by virtue of the SFO, Mr. Zhang is deemed to be interested in 14.43% of the total number of issued shares of our Company held by CITIC Capital Leasing immediately following completion of the Global Offering (taking no account of any Shares which may be allotted and issued pursuant to the exercise of the Over-Allotment Option).

Vice-Chairman

Mr. Jiang Xin (姜鑫先生), aged 52, is the Vice-Chairman of our Board and a non-executive Director. He is primarily responsible for providing advice and participating in meetings of the Board in connection with matters requiring Directors’ consideration and/or approval. Mr. Jiang was appointed as our Director on June 19, 2012 shortly after our Company’s incorporation in April 2012. He was re-designated as our non-executive Director on March 6, 2015. Mr. Jiang is also the vice chairman of the board of CU Leasing.

Since September 2005, Mr. Jiang has been the chief accountant of GT-PRC, our Controlling Shareholder, mainly responsible for managing basic corporate accounting, managing and supervising financial functions, setting financial and accounting internal control system and supervising material financial matters. Since March 2006, he has also been the chairman of GT-HK, our Controlling Shareholder, which is wholly-owned by GT-PRC.

From August 1998 to June 2000, Mr. Jiang was the deputy general manager of the financial management department of GT-PRC. From June 2000 to February 2002, he was the chief accountant of CNTIC, a wholly-owned subsidiary of GT-PRC and which is principally engaged in integrated services of technology trade, project contracting and project management. From February 2002 to September 2005, Mr. Jiang was the general manager of China National Corporation for Overseas Economic Cooperation (中國海外經濟合作總公司), a wholly-owned subsidiary of GT-PRC and which principal businesses include international projects contracting and international and domestic trade. Mr. Jiang was mainly responsible for managing the general operation of such company.

Mr. Jiang obtained a Bachelor degree in Economics in Hubei Institute of Finance and Economics (湖北財經學院) (now known as Zhongnan University of Economics and Law (中南財經政法大學)), China in July 1984. He obtained an Executive Master of Business Administration

DIRECTORS, SENIOR MANAGEMENT AND EMPLOYEES

(EMBA) degree from Tsinghua University (清華大學), China in July 2008. He obtained a qualification certificate as a senior economist (高級經濟師) from the Appraisal and Approval Committee for Professional & Technical Qualification of the Ministry of Finance in China in September 1998.

Executive Directors

Mr. Guo Weiping (郭衛平先生), aged 59, is the Chief Executive Officer and an executive Director of Universal Medical. He is primarily responsible for managing the overall operations of our Group, planning our business and development strategies and managing our healthcare business. Mr. Guo was appointed as our Director on June 19, 2012 shortly after the incorporation of Universal Medical in April 2012 and was re-designated as our executive Director on March 6, 2015.

Mr. Guo has over 30 years of experience in financial services, including 15 years of experience in healthcare financing services.

Before he joined our Group, during 1991 to 2006, Mr. Guo worked in Far Eastern Leasing Co. Ltd (遠東國際租賃有限公司) of the Sinochem Group (中國中化集團) which is principally engaged in leasing business. Mr. Guo was a deputy general manager who was mainly responsible for the management of such company's aviation business and medical businesses.

Mr. Guo joined our Group in August 2006 as a deputy general manager of CU Leasing. In June 2008, he was promoted to become the chief executive officer of CU Leasing. Since August 2010, Mr. Guo has been a director of CU Leasing. He is also the sole director of each of Uni-One and Uni-Two. Mr. Guo has been a director and the chief executive officer of UI Leasing (TJ) since its incorporation in December 2014. On March 6, 2015, Mr. Guo was appointed as the Chief Executive Officer and re-designated as an executive Director of Universal Medical.

Mr. Guo received a degree of Master of Business Administration from Oklahoma City University, the United States in May 1990.

Mr. Guo is the sole beneficial owner and sole director of ITCCL. He is also a director of WHSL. ITCCL and WHSL are our Shareholders and each will hold about 0.9% of the total number of issued shares of our Company immediately following completion of the Global Offering (taking no account of any Shares which may be allotted and issued pursuant to the exercise of the Over-Allotment Option). By virtue of the SFO, Mr. Guo is deemed to be interested in the Shares held by ITCCL.

Ms. Peng Jiahong (彭佳虹女士), aged 44, is the Chief Financial Officer, the deputy general manager and an executive Director of Universal Medical. She is primarily responsible for financial planning and management, risk management, finance management, human resources and related administrative matters. Ms. Peng was appointed as our Director on December 22, 2014 and was re-designated as our executive Director on March 6, 2015.

DIRECTORS, SENIOR MANAGEMENT AND EMPLOYEES

Ms. Peng has over 20 years working experience in financial services and financial management, including nine years in healthcare finance services.

Before joining our Group, Ms. Peng worked as the manager of the finance department from August 1993 to August 2006 in CNTIC and she was mainly responsible for management of financing, fund risk, budgeting and financial reports preparation.

Ms. Peng joined our Group in August 2006 as a deputy general manager of the finance department of CU Leasing. She was then promoted to become the general manager of the finance department of CU Leasing in September 2008. She has been the chief financial officer and the deputy general manager of CU Leasing and our Company since December 2009 and July 2012 respectively. She was appointed as a director of CU Leasing and our Director in December 2014 respectively. Ms. Peng has been acting as a director, the chief financial officer and the deputy general manager of CU Leasing (TJ) since its incorporation in December 2014. On March 6, 2015, Ms. Peng was appointed as the Chief Financial Officer, the deputy general manager and re-designated as an executive Director of Universal Medical.

Ms. Peng graduated from the University of International Business and Economics (對外經濟貿易大學), China with a Bachelor degree in Professional Accounting in June 1993. She also obtained an Executive Master of Business Administration (EMBA) degree from Tsinghua University (清華大學), China in June 2012. She was qualified as a senior accountant (高級會計師) in December 2006 by the Appraisal and Approval Committee for Professional & Technical Qualification of GT-PRC.

Ms. Peng is the sole beneficial owner and sole director of Evergreen. Ms. Peng is also a director of WHSL. WHSL and Evergreen are our Shareholders and will hold about 0.9% and 0.45% respectively of the total number of issued shares of our Company immediately following completion of the Global Offering (taking no account of any Shares which may be allotted and issued pursuant to the exercise of the Over-Allotment Option). By virtue of the SFO, Ms. Peng is deemed to be interested in the Shares held by Evergreen.

Other Non-executive Directors

Mr. Su Guang (蘇光先生), aged 34, is a non-executive Director. He is primarily responsible for providing advice and participating in meetings of the Board in connection with matters requiring Directors' consideration and/or approval. Mr. Su was appointed as our Director on December 22, 2014 and was re-designated as our non-executive Director on March 6, 2015. Mr. Su is also a director of CU Leasing.

Mr. Su is currently the managing director and head of cross border structured finance of ICBC International Holdings Limited, which is wholly owned by Industrial and Commercial Bank of China Limited, a company listed on the main board of the Stock Exchange (stock code: 1398) and on the Shanghai Stock Exchange (stock code: 601398). He is mainly in charge of cross-border structured investments and financing business.

DIRECTORS, SENIOR MANAGEMENT AND EMPLOYEES

Mr. Su is a director of ICBCI, our Shareholder which will hold 7.16% of the total number of issued shares of our Company immediately following completion of the Global Offering (taking no account of any Shares which may be allotted and issued pursuant to the exercise of the Over-Allotment Option).

Mr. Su obtained a Master of Science degree in Financial Analysis from the Hong Kong University of Science and Technology, Hong Kong in June 2012.

Mr. Chen Weisong (陳偉松), aged 36, is a non-executive Director. He is primarily responsible for providing advice and participating in meetings of the Board in connection with matters requiring Directors' consideration and/or approval. Mr. Chen was appointed as our non-executive Director on March 6, 2015. Mr. Chen is also a director of CU Leasing.

Mr. Chen is a responsible officer of direct investment division in CCB International Asset Management Limited, whose principal business includes direct investments and fund management. He is mainly responsible for deal sourcing, formulating investment structures, coordinating execution plans and handling exit strategies.

Mr. Chen received a Master of Philosophy degree from the University of Hong Kong, Hong Kong in December 2005. Mr. Chen obtained the qualification as a Chartered Financial Analyst from CFA Institute in September 2011. He has been a fellow of the Association of Chartered Certified Accountants since October 2012. Mr. Chen was licensed as a responsible officer for Type 9 (asset management) regulated activities of the SFC in December 2011, and a representative for Type 1 (dealing in securities) and Type 4 (advising on securities) regulated activities of the SFC both in September 2012.

Mr. Chen is a director of CCBI, our Shareholder which will hold 4.39% of the total number of issued shares of our Company immediately following completion of the Global Offering (taking no account of any Shares which may be allotted and issued pursuant to the exercise of the Over-Allotment Option).

Mr. Liu Xiaoping (劉小平先生), aged 59, is a non-executive Director. He is primarily responsible for providing advice and participating in meetings of the Board in connection with matters requiring Directors' consideration and/or approval. Mr. Liu was appointed as our Director on June 19, 2012 shortly after our Company's incorporation in April 2012 and was re-designated as our non-executive Director on March 6, 2015. Mr. Liu is also a director of CU Leasing and the chairman of CU Leasing (TJ).

Mr. Liu has been a senior managing director of private equity department of CITIC Capital Holdings Limited since December 2005 and he was mainly responsible for leading private equity projects in China. Mr. Liu is a director of CITIC Capital Leasing, our Shareholder which will hold 14.43% of the total number of issued shares of our Company immediately following completion of the Global Offering (taking no account of any Shares which may be allotted and issued pursuant to the exercise of the Over-Allotment Option).

DIRECTORS, SENIOR MANAGEMENT AND EMPLOYEES

Prior to joining CITIC Capital Holdings Limited, from August 1998 to August 2002, Mr. Liu was the vice president of direct investment department of China International Capital Corporation (Hong Kong) Limited, whose principal business activities include direct investment. From March 2004 to September 2005, he served as an executive director of Alibaba Health Information Technology Limited (formerly known as CITIC 21CN Company Limited, whose shares are listed on the Main Board of the Stock Exchange (stock code: 241)). Mr. Liu also served as a non-executive director of Xiezhong International from September 2011 to July 2014.

Mr. Liu graduated from Jilin University (吉林大學) (formerly known as Jilin University of Technology) (吉林工業大學), China in January 1980 and studied Mechanical Engineering. He received a Master degree in Engineering from Beijing University of Aeronautics and Astronautics (北京航空航天大學) (formerly known as Beijing Institute of Aeronautics and Astronautics (北京航空學院)), China in April 1982 and a Doctor degree of philosophy from the University of Minnesota, the USA in March 1990.

Mr. Liu Zhiyong (劉志勇先生), aged 45, is a non-executive Director. He is primarily responsible for providing advice and participating in meetings of the Board in connection with matters requiring Directors' consideration and/or approval. Mr. Liu became a director of CU Leasing in December 2005. He was appointed as our Director since our Company's incorporation on April 19, 2012 and was re-designated as our non-executive Director on March 6, 2015.

Prior to joining our Group, from July 1992 to May 1998, Mr. Liu was the deputy general manager of the finance department of CNTIC, mainly responsible for finance management. Since May 1998, he has been in service with GT-HK (formerly known as CNTIC Group International Finance Limited) which is principally engaged in assets management.

Mr. Liu is currently the general manager and a director of GT-HK, our Controlling Shareholder and he is mainly responsible for managing the general operation of that company. He was a non-executive Director in Lijun International Pharmaceutical (Holdings) Co., Ltd. (whose shares are listed on the main board of the Stock Exchange (stock code: 2005)) from December 2004 to October 2011.

Mr. Liu was awarded a Bachelor degree in Accounting from the People's University of China (中國人民大學), China in July 1992 and obtained an Executive Master of Business Administration (EMBA) degree from the Hong Kong University of Science and Technology, Hong Kong in November 2006. He obtained a qualifying certificate from the Examination Committee of Certified Public Accountants of the Ministry of Finance in December 1994.

INEDs

Mr. Lim Yean Leng (林延齡先生), aged 67, was appointed an INED with effect from June 9, 2015.

DIRECTORS, SENIOR MANAGEMENT AND EMPLOYEES

He is an expert in cardiology. He was a Honorary Clinical Associate Professor in the Department of Medicine in Monash University in Australia from January 1994 to December 1997. He has also been acting as a Clinical Professor of the National University of Singapore since September 1997. In October 1996, Mr. Lim was appointed the dean of the medical school of Xiamen University (廈門大學). He was a visiting/Honorary professor of the Affiliated Zhongshan Hospital of Fudan University (復旦大學附屬中山醫院) and Northern Hospital in Shengyang (瀋陽北方醫院). He is a visiting/consulting/Honorary professor of various institutions in China, including Zhejiang Medical University (浙江醫科大學), West China School of Clinical Medicine of Sichuan University (四川大學華西臨床醫學院), the Peking Union Medical College Hospital of the Chinese Academy of Medical Sciences (中國醫學科學院北京協和醫院), Harbin Medical University (哈爾濱醫科大學), the Fourth Military Medical University (第四軍醫大學) and the Shanghai Second Medical University (上海第二醫科大學).

Mr. Lim is a medical superintendent of Zhejiang Provincial People's Hospital (浙江省人民醫院) since April 1, 1996. He was awarded the Distinguished Alumni Award 1993 by Monash University in Australia.

Mr. Lim was awarded the Bachelor of Medicine and Bachelor of Surgery in December 1972 and the degree of Doctor of Philosophy in December 1977 respectively, both from Monash University, Australia. He was admitted as a fellow of The Royal Australasian College of Physicians in June 1980. Mr. Lim was granted the certificate of specialist registration by the Singapore Medical Council for the cardiology speciality since 1998.

Mr. Li Yinquan (李引泉先生), aged 60, was appointed an INED with effect from June 9, 2015.

He joined China Merchants Group in March 2000. He served as an executive director of China Merchants Holdings (International) Company Limited (whose shares are listed on the Main Board of the Stock Exchange (stock code: 144)) from June 2001 to March 2015. He is now a director of China Merchants Group, an executive director of China Merchants China Direct Investments Limited (whose shares are listed on the main board of the Stock Exchange, stock code: 133), and a non-executive director of China Merchants Bank Co., Ltd. (whose shares are listed on the Main Board of the Stock Exchange (stock code: 3968) and the Shanghai Stock Exchange (stock code: 600036)).

Prior to joining China Merchants Group, Mr. Li has worked in the Agricultural Bank of China, and was the vice general manager of the Hong Kong branch before he left that bank.

Mr. Li was awarded a Bachelor degree in Economics from Shanxi Institute of Finance and Economics (陝西財經學院), China in July 1983. He was then awarded a Master degree in Economics from the Graduate School of the People's Bank of China (中國人民銀行總行金融研究所, now known as the PBC School of Finance, Tsinghua University (清華大學五道口金融學院), China in July 1986. In October 1988, Mr. Li obtained a Master degree in Banking and Finance for Development from Finafrica Foundation in Milan, Italy. In August 1989, he obtained the qualification as a senior economist by the Appraisal and Approval Committee for Professional & Technical Qualification of the Agricultural Bank of China.

DIRECTORS, SENIOR MANAGEMENT AND EMPLOYEES

Mr. Chow Siu Lui (鄒小磊先生), aged 54, was appointed an INED with effect from June 9, 2015.

Mr. Chow has a wealth of experience in fund raising and initial public offering activities in Hong Kong and in accounting and financial areas. He is currently the managing director of private equities team in VMS Investment Group (HK) Ltd. and he is responsible for providing advice on issues regarding fund raising, pre-IPO group restructuring and due diligence exercises for investment projects. Prior to that, Mr. Chow was in service with KPMG Hong Kong for about 28 years and was admitted as one of its partners in 1995. He was then mainly responsible for IPO advisory services and assisting in fund raising activities in local and overseas stock exchanges.

Mr. Chow is the chairman of the professional development committee and the investment strategy task force of the Hong Kong Institute of Chartered Secretaries (“**HKICS**”), and also the chairman of the Mainland Development Strategies Advisory Panel of the HKICPA.

Mr. Chow has been serving as an independent non-executive director of Fullshare Holdings Limited (whose shares are listed on the Main Board of the Stock Exchange (stock code: 607)) since December 2013, an independent non-executive director of Kong Shum Union Property Management (Holding) Limited (whose shares are listed on the Growth Enterprise Market of the Stock Exchange (stock Code: 8181)) since February 2015 and was an independent non-executive director of NWS Holdings Limited (whose shares are listed on the Main Board of the Stock Exchange (stock code: 659)) from March 2012 to June 2012.

Mr. Chow was awarded a Professional Diploma in Accountancy from the Hong Kong Polytechnic University (formally known as Hong Kong Polytechnic), Hong Kong in November 1983. By profession, he became a fellow of the Association of Chartered Certified Accountants in July 1991, the Institute of Chartered Secretaries and Administrators (“**ICSA**”) and HKICS both in October 2009, and the HKICPA in December 1993.

Mr. Kong Wei (孔偉先生), aged 43, was appointed as an INED with effect from June 9, 2015.

Mr. Kong has been practicing Chinese laws for more than 20 years and he is now a partner of Zhong Lun Law Firm, specialising in capital markets, mergers, acquisitions and financing of companies and project financing. He is in charge of the capital market and corporate business of the firm’s Shanghai branch.

Mr. Kong was awarded a Bachelor degree in Law from Gansu Institute of Political Science and Law (甘肅政法學院), China in July 1993. In 1993, he was admitted as a practicing lawyer in China by Shanghai Bureau of Justice of China.

DIRECTORS, SENIOR MANAGEMENT AND EMPLOYEES

General

Save as disclosed above, there is no other information relating to our Directors that needs to be disclosed under the requirements under Rule 13.51(2) of the Listing Rules.

Save as disclosed above, none of our Directors:

- (i) held any other positions in our Company or other members of our Group as of the Latest Practicable Date;
- (ii) had any other relationship with any Directors, senior management or Substantial Shareholders or Controlling Shareholders of our Company as of the Latest Practicable Date;
- (iii) held any other directorships in listed public companies in the three years prior to the Latest Practicable Date; and
- (iv) is a director or an employee of a company which has an interest or short position in the Shares and underlying Shares of our Company.

As of the Latest Practicable Date, except for such interests of Mr. Zhang Yichen, Mr. Guo and Ms. Peng in the Shares which are disclosed above and in the paragraph headed “3.1 Disclosure of Interest—(a) Interests of our Directors and the chief executive of our Company” in “Appendix IV—Statutory and general information” to this prospectus, each of our Directors did not have any interest in the Shares within the meaning of Part XV of the SFO. Each of our Directors has confirmed that none of them is engaged in, or interested in any business (other than our Group) which, directly or indirectly, competes or may compete with our business.

Each of our executive Directors, Mr. Guo and Ms. Peng has entered into a service contract with our Company for an initial term of five years commencing from December 22, 2014.

Save as disclosed above, to the best of the knowledge, information and belief of our Directors after having made all reasonable enquiries, there was no other matter with respect to the appointment of our Directors that needs to be brought to the attention of our Shareholders and there was no information relating to our Directors that is required to be disclosed pursuant to Rule 13.51(2)(h) to (v) of the Listing Rules as of the Latest Practicable Date.

SENIOR MANAGEMENT

Mr. Yang Jingyao (楊景耀先生), aged 48, is the deputy general manager of our Company who joined our Group in January 2015. He is mainly responsible for managing our medical equipment sourcing business.

DIRECTORS, SENIOR MANAGEMENT AND EMPLOYEES

Before Mr. Yang joined our Group, he was in service with China Meheco Co., Ltd. (中國醫藥健康產業股份有限公司 (formerly known as 中國醫藥保健品股份有限公司)), whose shares are listed on the Shanghai Stock Exchange (stock code: 600056) from July 1987 to December 2009. Mr. Yang's last position in the company was deputy general manager and he was mainly responsible for the management and supervision of international trade of medicine and medical products. He was the officer manager of GT-PRC from December 2009 to December 2014, mainly responsible for the overall coordination, internal and external promotion of that company, and communication with external parties.

Mr. Yang was awarded a Bachelor degree in Economics in July 1987 from the Guangzhou Institute of Foreign Trade (廣州對外貿易學院, now known as the Guangdong University of Foreign Studies (廣東外語外貿大學), China). He obtained a degree of Executive Master of Business Administration in May 2006 from the University of Texas at Arlington, the U.S..

Mr. Chen Jianying (陳劍影先生), aged 38, is the deputy general manager of our Company who joined our Group in October 2014. He is mainly responsible for managing our leasing business.

Before Mr. Chen joined our Group, from August 2006 to March 2012, Mr. Chen was the general manager of the energy business department and the aviation business department of Shanghai Electric Leasing Co., Ltd. (上海電氣租賃有限公司) which is principally engaged in financial leasing. From April 2012 to September 2014, he was the senior manager of SPDB Financial Leasing Co., Ltd. (浦銀金融租賃股份有限公司) which is principally engaged in financial leasing. The main responsibilities of Mr. Chen in the above companies were similar, which include broadening the customer base and formulating operation strategies.

Mr. Chen was awarded a Bachelor degree of Engineering in Applied Electronic (應用電子技術) in June 1997 and a Master degree of Economics in International Trade (國際貿易學) in April 2003, both from the Wuhan University of Technology (武漢理工大學) (formerly known as Wuhan Automotive Polytechnic University (武漢汽車工業大學)), China.

COMPANY SECRETARY

Ms. Cheng Pik Yuk (鄭碧玉女士), aged 57, was appointed as the Company Secretary of our Company on March 6, 2015. She is mainly responsible for overseeing our company secretarial matters.

Ms. Cheng is a director of the corporate services department in Tricor Services Limited. She has over 30 years of experience in the corporate secretarial field, providing corporate secretarial services to Hong Kong listed companies and multi-national companies. She is currently the company secretary, a joint company secretary or an assistant company secretary of some listed companies on the Stock Exchange.

DIRECTORS, SENIOR MANAGEMENT AND EMPLOYEES

Prior to joining Tricor Services Limited, Ms. Cheng was a senior manager and the departmental manager of the company secretarial department in Secretaries Limited (now known as Tricor Secretaries Limited) which principal activities include provision of company secretarial services from June 1989 to December 2004. She was mainly responsible for providing corporate secretarial and share registration services to client companies.

Ms. Cheng obtained a Higher Diploma in Company Secretaryship and Administration from the Hong Kong Polytechnic University (formally known as Hong Kong Polytechnic), Hong Kong in November 1980. By profession, she was admitted a fellow of both the HKICS and the ICOSA, both in June 1996.

Save as disclosed above, none of our senior management members held any other directorships in listed public companies in the three years prior to the Latest Practicable Date.

Human Resources

Our Company maintains good employee relationship. We have implemented an established human resources policy for talents selection, career development and training, and incentive aiming to create a senior management team with global vision; build an elite team of professional mid-level and junior employees; and constantly attract energetic outstanding graduates to join us. We strive to create a learning organization for driving the sustainable and stable development of our Company. We provide various learning opportunities to our employees and encourage them to self-learn. We aim to continuously improve the overall talents of employees through multi-category, multi-level and diversified trainings. We have established a remuneration incentive system that aims to fully demonstrate the principle of “more pay for higher efficiency, more pay for more responsibilities, more pay for more contributions”. Meanwhile, we adopt medium and long term incentive plans mainly based on our annuity plan. We have not experienced any significant problems with the recruitment or retention of experienced employees. In addition, we have not suffered from any material disruption of normal business operations as a result of labour disputes or strikes. The remuneration payable to our employees comprises salaries and allowances.

As of the Latest Practicable Date, we had approximately 371 employees. Please refer to the paragraph headed “Employees” in the section headed “Business” in this prospectus for details of breakdown of our employees by function.

Benefits and social insurance

As required by the Chinese regulations on social insurance, our Company participates in the social insurance schemes operated by the relevant local government authorities which include retirement pension, medical insurance, unemployment insurance, industrial injuries insurance, maternity insurance and housing fund. Our Company also provides other additional insurance plans for our employees such as additional medical insurance for individuals and groups and employees’ injuries insurance.

DIRECTORS, SENIOR MANAGEMENT AND EMPLOYEES

In 2012, 2013 and 2014, our Group accrued and paid (i) pension in the sum of RMB4.3 million, RMB5.1 million and RMB6.2 million respectively, (ii) housing provident fund and allowance in the sum of RMB2.6 million, RMB2.9 million and RMB4.5 million respectively, (iii) medical, unemployment, injuries and maternity insurance in the sum of RMB2.9 million, RMB4.9 million and RMB8.4 million respectively, and (iv) employee education fee and other benefits in the sum of RMB2.3 million, RMB2.1 million and RMB3.1 million respectively.

Remuneration Policy

The aggregate amounts of remuneration of our Directors for the three years ended 31 December 2014 were approximately RMB1.7 million, RMB2.2 million and RMB4.8 million respectively. Details of the arrangement for remuneration are set out in Note 8 to the Accountants' Report in Appendix I to this prospectus. Under such arrangement and pursuant to the Directors' service agreements and letters of appointment referred to in the paragraph headed "3.2 Directors' service contracts and letters of appointment" in "Appendix IV—Statutory and general information" to this prospectus, the aggregate amount of Directors' fee and other emoluments payable to the Directors for the year ending December 31, 2015 is estimated to be approximately RMB2.9 million, excluding any discretionary bonuses and the share-based compensation.

Our Directors and senior management receive compensation in the form of salaries, benefits in kind and/or discretionary bonuses relating to the performance of our Group. Our Company also reimburses them for expenses which are necessarily and reasonably incurred for providing services to our Company or executing their functions in relation to its operations. Our Company regularly reviews and determines the remuneration and compensation packages of our Directors and senior management.

After Listing, the remuneration committee of our Company will review and determine the remuneration and compensation packages of our Directors and senior management with reference to salaries paid by comparable companies, time commitment and responsibilities of our Directors and performance of our Group.

During the Track Record Period, no remuneration was paid by our Company to, or received by, our Directors as an inducement to join or upon joining our Company.

DIRECTORS, SENIOR MANAGEMENT AND EMPLOYEES

BOARD COMMITTEES

The audit committee, remuneration committee, strategy committee and risk control committee of our Company were first established in April 2013 and the nomination committee was approved to be established by resolutions passed by our Board on June 10, 2015. The membership of such committees are as follows:

Name of Director	Audit committee	Remuneration committee	Nomination committee	Strategy committee	Risk control committee
<i>Executive Directors</i>					
Mr. Guo Weiping	—	—	—	Member	—
Ms. Peng Jiahong	—	—	—	—	Member
<i>Non-executive Directors</i>					
Mr. Zhang Yichen.	—	—	Chairman	Member	—
Mr. Jiang Xin	—	—	—	Chairman	—
Mr. Su Guang	—	—	—	—	Chairman
Mr. Chen Weisong	—	Member	—	—	—
Mr. Liu Xiaoping	Member	—	—	—	—
Mr. Liu Zhiyong	—	—	—	—	Member
<i>INEDs</i>					
Mr. Lim Yean Leng	—	Member	—	—	—
Mr. Li Yinquan	Chairman	—	—	—	—
Mr. Chow Siu Lui	Member	Chairman	Member	—	—
Mr. Kong Wei	—	—	Member	—	—

Note: “—” in the above table means “not applicable”

Each of the above committees has written terms of reference. The functions of the above five committees are summarized as follows:

Audit committee

Our audit committee has written terms of reference in compliance with Code C.3 of the Corporate Governance Code as set out in Appendix 14 to the Listing Rules. The primary duties of the audit committee of our Company are mainly to make recommendations to the Board on the appointment and dismissal of the external auditor, review the financial statements and material and provide advice in respect of financial reporting and oversee the internal control procedures of our Company.

Remuneration committee

Our Company has written terms of reference in compliance with Code B.1 of the Corporate Governance Code as set out in Appendix 14 of the Listing Rules. The primary functions of the remuneration committee of our Company are to make recommendation to the Board on the overall remuneration policy and the structure relating to all Directors and senior management of our Group; to review performance-based remuneration and ensure none of our Directors determine their own remuneration.

DIRECTORS, SENIOR MANAGEMENT AND EMPLOYEES

Nomination committee

Our Company has written terms of reference in compliance with Codes A.5 of the Corporate Governance Code as set out in Appendix 14 of the Listing Rules. The primary functions of the nomination committee of our Company are to review the structure, size and composition (including the skills, knowledge and experiences) of the Board at least annually and make recommendation to the Board on any proposed changes to the Board to complement our Company's corporate strategy; to identify individuals suitably qualified as potential board members and select or make recommendations to the board on the selection of individuals nominated for directorships; to assess the independence of INEDs; and to make recommendations to the Board on the appointment or re-appointment of Directors and succession planning of Directors, in particular that of our chairman and the chief executive officer.

Strategy committee

The primary functions of our strategy committee are to conduct research and propose suggestions on our mid-term and long-term strategies, major decisions, investment plan and investment profit forecast.

Risk control committee

The primary functions of our risk management committee are to conduct research and propose suggestions on our risk management system in respect of our operations and business development. It is also responsible for supervising the implementation of risk management measures and process.

COMPLIANCE ADVISER

We have appointed Somerley Capital Limited as our compliance adviser pursuant to Rule 3A.19 of the Listing Rules. Pursuant to Rule 3A.23 of the Listing Rules, the compliance adviser will advise us on, among other matters, the following:

- (a) (before its publication) any regulatory announcement, circular or financial report;
- (b) a transaction, which might be a notifiable or connected transaction or will involve share issues and share buy-backs;
- (c) where our Company proposes to use the net proceeds of the Global Offering in a manner different from that set out in this prospectus or where our business activities, development or results deviate from any forecast, estimate, or other information in this prospectus; and
- (d) where the Stock Exchange makes any inquiry of us under Rule 13.10 of the Listing Rules.

DIRECTORS, SENIOR MANAGEMENT AND EMPLOYEES

The term of appointment of our compliance adviser will commence on the Listing Date and will end on the date of despatch of our annual report in respect of our financial results for the first full financial year commencing after the Listing Date. Such appointment may be subject to extension by mutual agreement.

SUBSTANTIAL SHAREHOLDERS

So far as is known to any Director or chief executive of our Company, immediately following the completion of the Global Offering and without taking into account any Shares which may be issued pursuant to the exercise of the Over-Allotment Option, the following persons (other than a Director or chief executive of our Company) will have an interest or short position in the Shares or the underlying Shares which would fall 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 are, directly or indirectly, interested in 10% or more of the issued voting shares of any other member of our Group:

Long Positions in the Shares and the underlying Shares

Name of Shareholder	Nature of interest/Capacity	Number of Shares	Approximate percentage of shareholding
GT-HK	Beneficial owner	584,000,395	34.50%
GT-PRC (Note 1)	Interest of controlled corporation	647,478,700	38.25%
CITIC Capital Leasing	Beneficial owner	244,326,695	14.43%
CITIC Capital China Partners II, L.P. (Note 2)	Interest of controlled corporation	244,326,695	14.43%
CCP II GP Ltd. (Note 2)	Interest of controlled corporation	244,326,695	14.43%
CCP LTD. (Note 2)	Interest of controlled corporation	244,326,695	14.43%
CITIC Capital Partners Limited (Note 2)	Interest of controlled corporation	244,326,695	14.43%
CITIC Capital Holdings Limited (Note 2)	Interest of controlled corporation	244,326,695	14.43%
CP Management Holdings Limited (Note 2)	Interest of controlled corporation	244,326,695	14.43%
Doyle, Brian Joseph (Note 2)	Interest of controlled corporation	244,326,695	14.43%
Zhang Yichen (Note 2)	Interest of controlled corporation	244,326,695	14.43%
ICBCI	Beneficial owner	121,243,560	7.16%
ICBC International Finance Limited (Note 3)	Interest of controlled corporation	121,243,560	7.16%
ICBC International Holdings Limited (Note 3)	Interest of controlled corporation	121,243,560	7.16%
Industrial and Commercial Bank of China Limited (Note 3)	Interest of controlled corporation	121,243,560	7.16%
Rollcash Investments Limited (Note 4)	Interest of controlled corporation	121,243,560	7.16%
Mu Yi (Note 4)	Interest of controlled corporation	121,243,560	7.16%
Sonic Path Limited (“Sonic Path”)	Beneficial owner	96,487,020	5.70%
Healthcare Ventures Holdings Limited	Interest of controlled corporation	96,487,020	5.70%
Chow Tai Fook Enterprises Limited (Note 5)	Interest of controlled corporation	96,487,020	5.70%
Chow Tai Fook (Holding) Limited (Note 5)	Interest of controlled corporation	96,487,020	5.70%

SUBSTANTIAL SHAREHOLDERS

Name of Shareholder	Nature of interest/Capacity	Number of Shares	Approximate percentage of shareholding
Chow Tai Fook (Capital) Limited (Note 5)	Interest of controlled corporation	96,487,020	5.70%
Cheng Yu Tung Family (Holdings) Limited (Note 5)	Interest of controlled corporation	96,487,020	5.70%
Cheng Yu Tung Family (Holdings II) Limited (Note 5)	Interest of controlled corporation	96,487,020	5.70%

Notes:

- (1) Among the 647,478,700 Shares, 584,000,395 Shares will be registered under name of GT-HK and 63,478,305 Shares will be registered under the name of CGCI-HK. The entire issued share capital of GT-HK is ultimately owned by GT-PRC and the entire issued share capital of CGCI-HK is directly held by CGCI-PRC, which in turn, is wholly-owned by GT-PRC. By virtue of the SFO, GT-PRC is deemed to be interested in the 647,478,700 Shares held by GT-HK and CGCI-HK.
- (2) CITIC Capital Leasing is wholly owned by CITIC Capital China Partners II, L.P. (“**CITIC Partners**”). The general partner of CITIC Partners is CCP II GP Limited (“**CCPII**”), which is wholly-owned by CCP LTD. CCP LTD. is a wholly-owned subsidiary of CITIC Capital Partners Limited (“**CITIC Capital Partners**”). CITIC Capital Partners is owned as to 51% and 49% by CITIC Capital Holdings Limited (“**CITIC Capital Holdings**”) and CP Management Holdings Limited (“**CP Management**”) respectively. CP Management is owned by Doyle, Brian Joseph and Zhang Yichen in equal shares. By virtue of the SFO, CITIC Partners, CCPII, CCP LTD., CITIC Capital Partners, CITIC Capital Holdings, CP Management, Doyle, Brian Joseph and Zhang Yichen are deemed to be interested in the same parcel of Shares in which CITIC Capital Leasing is interested.
- (3) ICBCI is 51% owned by ICBC International Finance Limited (“**ICBCI Finance**”), which is wholly-owned by ICBC International Holdings Limited (“**ICBCI Holdings**”) and in turn, is wholly-owned by Industrial and Commercial Bank of China Limited (“**ICBC**”). By virtue of the SFO, ICBCI Finance, ICBCI Holdings and ICBC are deemed to be interested in the same parcel of Shares in which ICBCI is interested.
- (4) ICBCI is 49% owned by Rollcash Investments Limited (“**Rollcash**”), 40% of its total issued share capital is owned by Mu Yi. Rollcash charged all its shares in ICBCI in favor of ICBCI Finance. By virtue of the SFO, Rollcash and Mu Yi are deemed to be interested in the same parcel of Shares in which ICBCI is interested.
- (5) Sonic Path is wholly owned by Healthcare Ventures Holdings Limited (“**Healthcare Ventures**”). Healthcare Ventures is wholly owned by Chow Tai Fook Enterprises Limited (“**CTFE**”), which is wholly owned by Chow Tai Fook (Holding) Limited (“**CTFH**”). CTFH is held as to 78.58% by Chow Tai Fook (Capital) Limited (“**CTFC**”), which is in turn held as to 48.98% by Cheng Yu Tung Family (Holdings) Limited (“**CYTF**”) and as to 46.65% by Cheng Yu Tung Family (Holdings II) Limited (“**CYTFII**”). By virtue of the SFO, Healthcare Ventures, CTFE, CTFH, CTFC, CYTF and CYTFII are deemed to be interested in the same parcel of Shares in which Sonic Path is interested.

Save as disclosed above, so far as is known to any Director or chief executive of our Company, no person (other than a Director or chief executive of our Company) has an interest or short position in the Shares and underlying Shares which would fall 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 is, directly or indirectly, interested in 10% or more of the issued voting shares of any other member of our Group once the Shares are listed on the Stock Exchange.

SHARE CAPITAL

SHARE CAPITAL

The following is a description of the issued share capital of our Company as at the date of this prospectus and immediately after completion of the Global Offering:

Issued and to be issued and fully paid

1,269,566,080	Shares in issue as at the date of this prospectus
423,189,500	Shares to be issued pursuant to the Global Offering
<u>1,692,755,580</u>	Total (Note)

Assumptions

The above table assumes the Global Offering becomes unconditional and the issue of Shares pursuant to the Global Offering is made as described herein. It does not take into account any Shares which may be issued upon the exercise of the Over-Allotment Option or of any Shares which may be allotted and issued or repurchased by our Company under the general mandates for the allotment and issue or repurchase of Shares granted to our Directors.

Note: The share capital of our Company will be enlarged by up to an additional 63,478,000 Shares in the event that the Over-Allotment Option is exercised in full.

MINIMUM PUBLIC FLOAT

Pursuant to Rule 8.08(1)(a) of the Listing Rules, at the time of Listing and at all times thereafter, our Company must maintain the minimum prescribed percentage of 25% of the issued share capital of our Company in the hands of the public (as defined in the Listing Rules).

RANKING

The Offer Shares and the Shares which may be issued under the Over-Allotment Option will rank equally with all of the Shares now in issue or to be issued, and will qualify for all dividends or other distributions declared, made or paid on the Shares after the date of this prospectus.

SHARE CAPITAL

GENERAL MANDATE TO ISSUE SHARES

Subject to the Global Offering becoming unconditional, our Directors have been granted the Issuing Mandate to allot, issue and deal in a total number of Shares of not more than the aggregate of:

- (i) 20% of the total number of Shares in issue immediately following completion of the Global Offering, but excluding any Shares which may be issued upon the exercise of the Over-Allotment Option; and
- (ii) the total number of the Shares repurchased by our Company (if any) pursuant to the Repurchase Mandate.

The Issuing Mandate does not apply to situations where our Directors allot, issue or deal in Shares by way of a rights issue, scrip dividend schemes or similar arrangements providing for the allotment and issue of Shares in lieu of the whole or in part of any dividend in accordance with the Articles, or pursuant to the exercise of any subscription or conversion rights attaching to any warrants or any securities which are convertible into Shares, or under the Global Offering or upon the exercise of the Over-Allotment Option. Our Directors may, in addition to the Shares which they are authorised to issue under the Issuing Mandate, allot, issue and deal in Shares pursuant to a rights issue, the exercise of subscription rights attaching to any warrants of our Company, scrip dividends or similar arrangements or any other option scheme or similar arrangement for the time being adopted.

The Issuing Mandate will expire upon the earliest occurrence of any of the following:

- at the conclusion of our next annual general meeting;
- on the date by which our next annual general meeting is required by the Articles or the Companies Ordinance to be held; or
- when the authority given to our Directors is revoked or varied by an ordinary resolution passed by our Shareholders in general meeting.

Further details of the Issuing Mandate are set out in the paragraph headed “1.3 Resolutions in writing of our Shareholders passed on June 10, 2015” in “1. Further information about our Group” in “Appendix IV—Statutory and general information” to this prospectus.

SHARE CAPITAL

GENERAL MANDATE TO REPURCHASE SHARES

Subject to the Global Offering becoming unconditional, our Directors have been granted the General Mandate to exercise all the powers of our Company to repurchase Shares with an aggregate number of Shares of not more than 10% of the aggregate number of Shares in issue and to be issued immediately following completion of the Global Offering, but excluding any Shares that may be issued upon the exercise of the Over-Allotment Option.

The Repurchase Mandate only relates to repurchases made on the Stock Exchange, or on any other stock exchange on which the Shares are listed (and which is recognized by the SFC and the Stock Exchange for this purpose), and which are made in accordance with the Listing Rules and all applicable laws. A summary of the relevant requirements under the Listing Rules is set out in the paragraph headed “1.6 Repurchase by our Company of our own securities” in “1. Further information about our Group” in “Appendix IV—Statutory and general information” to this prospectus.

The Repurchase Mandate will expire upon the earliest occurrence of any of the following:

- at the conclusion of our next annual general meeting;
- on the date by which our next annual general meeting is required by the Articles or the Companies Ordinance to be held; or
- when the authority given to our Directors is revoked or varied by an ordinary resolution passed by our Shareholders in general meeting.

Further details of the Repurchase Mandate are set out in the paragraph headed “1.3 Resolutions in writing of our Shareholders passed on June 10, 2015” in “1. Further information about our Group” in “Appendix IV—Statutory and general information” to this prospectus.

FUTURE PLANS AND USE OF PROCEEDS

FUTURE PLANS

We strive to become a world-class integrated healthcare services provider that plays a critical role in modernizing the clinical capabilities of China’s hospitals. We intend to leverage our existing platform of resources and large hospital customer base to expand the spectrum of our healthcare solutions. We intend to continue to develop solutions tailored for regional and county level hospitals as our key customer base. See “Business—Our Strategies” for our business strategies.

USE OF PROCEEDS

The following table sets forth the estimate of net proceeds from the Global Offering which we are expected to receive after deduction of underwriting fees and commissions and estimated expenses payable by us in connection with the Global Offering:

	Assuming the Over-Allotment Option is not exercised	Assuming the Over-Allotment Option is exercised in full
Assuming an Offer Price of HK\$8.84 per Offer Share (being the mid-point of the Offer Price range stated in this prospectus)	Approximately HK\$3,566 million	Approximately HK\$4,108 million
Assuming an Offer Price of HK\$10.00 per Offer Share (being the high end of the Offer Price range stated in this prospectus)	Approximately HK\$4,040 million	Approximately HK\$4,654 million
Assuming an Offer Price of HK\$7.68 per Offer Share (being the low end of the Offer Price range stated in this prospectus).	Approximately HK\$3,091 million	Approximately HK\$3,562 million

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

- approximately 45.0% will be used to strengthen our capital resources to support the ongoing growth of our financial leasing business primarily for the healthcare industry; see “Business—Our Strategies—Continue to grow our medical equipment financing business focusing on the healthcare industry in a prudent manner” for further details;
- approximately 20.0% will be used for the development of hospital digitalization services to complement our existing integrated solutions; we intend to further recruit and increase the size of our technology solutions team and develop a proprietary information management system for hospitals; we also plan to acquire services in relation to hospital digitalization services, and allocate a portion of the proceeds in financing hospital customers in implementing hospital digitalization services; see “Business—Our Strategies—Develop hospital digitalization services by leveraging our existing customer base and deep industry knowledge” for further details;

FUTURE PLANS AND USE OF PROCEEDS

- approximately 15.0% will be used for the development of our hospital management business; we intend to recruit a team of hospital management experts to provide hospital management services; in order to acquire hospital management rights, we are also expected to make substantial initial investments in the relevant hospitals; see “Business—Our Strategies—Explore opportunities to enter into the hospital management business” for further details;
- approximately 10.0% will be used for further development of CVA project solutions and other new clinical department upgrade services for other high demand areas; specifically, we intend to increase the number of our internal experts and the size of our dedicated sales and marketing team with relevant medical background to allow greater geographic coverage and to support our expanding number of clinical department upgrade customers; we also intend to allocate a portion of the proceeds in financing hospital customers in acquiring medical equipment as part of the clinical department upgrade services and ophthalmology solutions through strategic cooperation with medical expert groups; see “Business—Our Strategies—Continue to develop clinical department upgrade services” for further details; and
- approximately 10.0% will be used for funding general corporate purposes.

The above allocation of the proceeds will be adjusted on a pro-rata basis if the Offer Price is fixed at a higher or lower level compared to the mid-point of the estimated Offer Price range. To the extent that the net proceeds from the Global Offering are not immediately used for the above purposes and to the extent permitted by applicable laws and regulations, we may allocate part or all of the proceeds to short-term interest-bearing deposits or money market instruments with authorized financial institutions or licensed banks.

We will issue an appropriate announcement if there is any material change to the above proposed use of proceeds.

CORNERSTONE INVESTORS

CORNERSTONE PLACING

We have entered into cornerstone investment agreements with 10 cornerstone investors (the “**Cornerstone Investors**” and each a “**Cornerstone Investor**”) pursuant to which the Cornerstone Investors have agreed to subscribe, or cause their respective designated entities to subscribe, at the Offer Price, for such number of Offer Shares in aggregate (rounded down to the nearest whole board lot of 500 Shares) that may be purchased with Hong Kong dollars equivalent to an aggregate amount of US\$200 million (calculated at the exchange rate published by Reuters after the close of business as of the Price Determination Date) (the “**Cornerstone Placing**”).

Assuming an Offer Price of HK\$7.68 (being the low end of the Offer Price range set out in this prospectus), the total number of Offer Shares subscribed for by the Cornerstone Investors would be 201,900,000, representing approximately (i) 47.71% of the Offer Shares under the Global Offering, assuming that the Over-Allotment Option is not exercised; (ii) 11.93% of the Shares in issue upon completion of the Global Offering, assuming that the Over-Allotment Option is not exercised; or (iii) 11.50% of the Shares in issue upon the completion of the Global Offering, assuming that the Over-Allotment Option is exercised in full. Assuming an Offer Price of HK\$8.84 (being the mid-point of the Offer Price range set out in this prospectus), the total number of Offer Shares subscribed for by the Cornerstone Investors would be 175,405,000, representing approximately (i) 41.45% of the Offer Shares under the Global Offering, assuming that the Over-Allotment Option is not exercised; (ii) 10.36% of the Shares in issue upon completion of the Global Offering, assuming that the Over-Allotment Option is not exercised; or (iii) 9.99% of the Shares in issue upon the completion of the Global Offering, assuming that the Over-Allotment Option is exercised in full. Assuming an Offer Price of HK\$10.00 (being the high end of the Offer Price range set out in this prospectus), the total number of Offer Shares subscribed for by the Cornerstone Investors would be 155,060,000, representing approximately (i) 36.64% of the Offer Shares under the Global Offering, assuming that the Over-Allotment Option is not exercised; (ii) 9.16% of the Shares in issue upon completion of the Global Offering, assuming that the Over-Allotment Option is not exercised; or (iii) 8.83% of the Shares in issue upon the completion of the Global Offering, assuming that the Over-Allotment Option is exercised in full.

To the best knowledge of our Company, each of the Cornerstone Investors is an independent third party, independent of each other, not our connected person, and not an existing Shareholder of our Company or its close associate.

Details of the actual number of Offer Shares to be allocated to the Cornerstone Investors will be disclosed in the allotment results announcement to be issued by our Company on or around July 7, 2015.

The Cornerstone Placing forms part of the International Placing. The Offer Shares to be subscribed for by the Cornerstone Investors will rank *pari passu* in all respects with the other fully paid Shares in issue upon completion of the Global Offering and will be counted towards the public float of our Company. None of the Cornerstone Investors will subscribe for Offer Shares under the Global Offering (other than and pursuant to the respective cornerstone

CORNERSTONE INVESTORS

investment agreements). Immediately following the completion of the Global Offering, none of the Cornerstone Investors will have any board representation in our Company, nor will any of the Cornerstone Investors become a substantial shareholder of our Company. The Offer Shares to be subscribed for by the Cornerstone Investors will not be affected by any reallocation of the Offer Shares between the International Placing and the Hong Kong Public Offering as described in “Structure of the Global Offering — Hong Kong Public Offering”.

CORNERSTONE INVESTORS

We have entered into a cornerstone investment agreement with each of the following Cornerstone Investors in respect of the Cornerstone Placing. The information about our Cornerstone Investors set out below has been provided by the Cornerstone Investors in connection with the Cornerstone Placing:

CSR (Hong Kong) Co. Limited

CSR (Hong Kong) Co. Limited (“CSR HK”) has agreed to subscribe for such number of Offer Shares (rounded down to the nearest whole board lot of 500 Shares) which may be purchased with Hong Kong dollars equivalent to US\$30 million at the Offer Price (calculated at the exchange rate published by Reuters after the close of business as of the Price Determination Date).

Assuming an Offer Price of HK\$7.68 (being the low end of the Offer Price range set out in this prospectus), CSR HK would subscribe for 30,285,000 Offer Shares representing approximately (i) 7.16% of the Offer Shares under the Global Offering, assuming that the Over-Allotment Option is not exercised; (ii) 1.79% of the Shares in issue upon completion of the Global Offering, assuming that the Over-Allotment Option is not exercised; or (iii) 1.72% of the Shares in issue upon completion of the Global Offering, assuming that the Over-Allotment Option is exercised in full. Assuming an Offer Price of HK\$8.84 (being the mid-point end of the Offer Price range set out in this prospectus), CSR HK would subscribe for 26,311,000 Offer Shares representing approximately (i) 6.22% of the Offer Shares under the Global Offering, assuming that the Over-Allotment Option is not exercised; (ii) 1.55% of the Shares in issue upon completion of the Global Offering, assuming that the Over-Allotment Option is not exercised; or (iii) 1.50% of the Shares in issue upon completion of the Global Offering, assuming that the Over-Allotment Option is exercised in full. Assuming an Offer Price of HK\$10.00 (being the high end of the Offer Price range set out in this prospectus), CSR HK would subscribe for 23,259,000 Offer Shares representing approximately (i) 5.50% of the Offer Shares under the Global Offering, assuming that the Over-Allotment Option is not exercised; (ii) 1.37% of the Shares in issue upon completion of the Global Offering, assuming that the Over-Allotment Option is not exercised; or (iii) 1.32% of the Shares in issue upon completion of the Global Offering, assuming that the Over-Allotment Option is exercised in full.

CORNERSTONE INVESTORS

CSR HK is a company incorporated in Hong Kong, which is wholly owned and controlled by CRRC Corporation Limited, a joint stock limited company incorporated in the PRC whose shares are listed on the Shanghai Stock Exchange (stock code: 601766) and the Hong Kong Stock Exchange (stock code: 1766). CSR HK's principal activities include marketing, sales of products, trading, after-sales services and capital management. CRRC Corporation Limited is one of the largest rolling stock suppliers in the world. It supplies rolling stock products in series including high speed multiple units, high-powered electric locomotives, transit vehicles, heavy haul freight trains and high-end passenger carriages, and is also engaged in systematic and comprehensive research, development and manufacturing and other extended businesses.

Nikko Asset Management

Nikko Asset Management Asia Limited ("Nikko AM Asia", formerly known as DBS Asset Management Ltd) has agreed to subscribe for such number of Offer Shares (rounded down to the nearest whole board lot of 500 Shares) which may be purchased with Hong Kong dollars equivalent to US\$20 million at the Offer Price (calculated at the exchange rate published by Reuters after the close of business as of the Price Determination Date).

Assuming an Offer Price of HK\$7.68 (being the low end of the Offer Price range set out in this prospectus), Nikko AM Asia would subscribe for 20,190,000 Offer Shares representing approximately (i) 4.77% of the Offer Shares under the Global Offering, assuming that the Over-Allotment Option is not exercised; (ii) 1.19% of the Shares in issue upon completion of the Global Offering, assuming that the Over-Allotment Option is not exercised; or (iii) 1.15% of the Shares in issue upon completion of the Global Offering, assuming that the Over-Allotment Option is exercised in full. Assuming an Offer Price of HK\$8.84 (being the mid-point end of the Offer Price range set out in this prospectus), Nikko AM Asia would subscribe for 17,540,500 Offer Shares representing approximately (i) 4.14% of the Offer Shares under the Global Offering, assuming that the Over-Allotment Option is not exercised; (ii) 1.04% of the Shares in issue upon completion of the Global Offering, assuming that the Over-Allotment Option is not exercised; or (iii) 1.00% of the Shares in issue upon completion of the Global Offering, assuming that the Over-Allotment Option is exercised in full. Assuming an Offer Price of HK\$10.00 (being the high end of the Offer Price range set out in this prospectus), Nikko AM Asia would subscribe for 15,506,000 Offer Shares representing approximately (i) 3.66% of the Offer Shares under the Global Offering, assuming that the Over-Allotment Option is not exercised; (ii) 0.92% of the Shares in issue upon completion of the Global Offering, assuming that the Over-Allotment Option is not exercised; or (iii) 0.88% of the Shares in issue upon completion of the Global Offering, assuming that the Over-Allotment Option is exercised in full.

Nikko AM Asia was incorporated in Singapore on June 16, 1982 as a limited liability company to provide investment services in the form of funds as well as segregated accounts. It is regulated by the Monetary Authority of Singapore and holds a capital markets service licence for fund management, dealing in securities and trading in futures contracts under the Securities and Futures Act of Singapore. It is also an exempt financial adviser under the Financial Advisers Act of Singapore.

CORNERSTONE INVESTORS

Nikko AM Asia is a leading, specialist asset manager comprising the integrated investment capabilities and enlarged operations of two award-winning Singapore-based asset managers formerly known as DBS Asset Management Ltd and Nikko Asset Management Singapore Limited. The Singapore entity is Nikko AM Asia's largest center of excellence in South-East Asia, with broad investment management experience in Asian equities, Asian fixed income and global multi-assets.

The investment teams of Nikko AM Asia manage assets on behalf of retail, private and institutional investors, including central banks, insurance companies and government statutory boards. The assets under management of the Nikko asset management group as of March 31, 2015 totaled US\$160 billion.

YFD

Yi Fang Da Apollo Inv. Limited ("YFD") has agreed to procure certain investment funds that it or its affiliates have discretionary investment management power over to subscribe for such number of Offer Shares (rounded down to the nearest whole board lot of 500 Shares) which may be purchased with Hong Kong dollars equivalent to US\$30 million at the Offer Price (calculated at the exchange rate published by Reuters after the close of business as of the Price Determination Date).

Assuming an Offer Price of HK\$7.68 (being the low end of the Offer Price range set out in this prospectus), YFD would subscribe for 30,285,000 Offer Shares representing approximately (i) 7.16% of the Offer Shares under the Global Offering, assuming that the Over-Allotment Option is not exercised; (ii) 1.79% of the Shares in issue upon completion of the Global Offering, assuming that the Over-Allotment Option is not exercised; or (iii) 1.72% of the Shares in issue upon completion of the Global Offering, assuming that the Over-Allotment Option is exercised in full. Assuming an Offer Price of HK\$8.84 (being the mid-point end of the Offer Price range set out in this prospectus), YFD would subscribe for 26,311,000 Offer Shares representing approximately (i) 6.22% of the Offer Shares under the Global Offering, assuming that the Over-Allotment Option is not exercised; (ii) 1.55% of the Shares in issue upon completion of the Global Offering, assuming that the Over-Allotment Option is not exercised; or (iii) 1.50% of the Shares in issue upon completion of the Global Offering, assuming that the Over-Allotment Option is exercised in full. Assuming an Offer Price of HK\$10.00 (being the high end of the Offer Price range set out in this prospectus), YFD would subscribe for 23,259,000 Offer Shares representing approximately (i) 5.50% of the Offer Shares under the Global Offering, assuming that the Over-Allotment Option is not exercised; (ii) 1.37% of the Shares in issue upon completion of the Global Offering, assuming that the Over-Allotment Option is not exercised; or (iii) 1.32% of the Shares in issue upon completion of the Global Offering, assuming that the Over-Allotment Option is exercised in full.

YFD is an investment company incorporated in the British Virgin Islands. It is wholly owned by E Fund Management (Hong Kong) Co., Limited ("E Fund HK"). E Fund HK was incorporated in Hong Kong in August 2008. E Fund HK is licensed for Type 1 (dealing in securities), Type 4 (advising on securities) and Type 9 (asset management) regulated activities by the SFC. E Fund HK serves as the global investment and business platform for its parent

CORNERSTONE INVESTORS

company, E Fund Management Co., Limited (“E Fund”). As E Fund’s only window company overseas, E Fund HK strategically connects China and the overseas market. E Fund HK capitalizes the investment and research capabilities of E Fund and its competitive advantage in the overseas market to provide comprehensive quality service to its clients.

GF Fund

GF Fund Management Co., Ltd. (“GF Fund”) has agreed to procure the investment scheme — Guangfa Global Opportunity Investment Discretionary Account that it has discretionary investment management power over to subscribe for such number of Offer Shares (rounded down to the nearest whole board lot of 500 Shares) which may be purchased with Hong Kong dollars equivalent to US\$30 million at the Offer Price (calculated at the exchange rate published by Reuters after the close of business as of the Price Determination Date).

Assuming an Offer Price of HK\$7.68 (being the low end of the Offer Price range set out in this prospectus), GF Fund would subscribe for 30,285,000 Offer Shares representing approximately (i) 7.16% of the Offer Shares under the Global Offering, assuming that the Over-Allotment Option is not exercised; (ii) 1.79% of the Shares in issue upon completion of the Global Offering, assuming that the Over-Allotment Option is not exercised; or (iii) 1.72% of the Shares in issue upon completion of the Global Offering, assuming that the Over-Allotment Option is exercised in full. Assuming an Offer Price of HK\$8.84 (being the mid-point end of the Offer Price range set out in this prospectus), GF Fund would subscribe for 26,311,000 Offer Shares representing approximately (i) 6.22% of the Offer Shares under the Global Offering, assuming that the Over-Allotment Option is not exercised; (ii) 1.55% of the Shares in issue upon completion of the Global Offering, assuming that the Over-Allotment Option is not exercised; or (iii) 1.50% of the Shares in issue upon completion of the Global Offering, assuming that the Over-Allotment Option is exercised in full. Assuming an Offer Price of HK\$10.00 (being the high end of the Offer Price range set out in this prospectus), GF Fund would subscribe for 23,259,000 Offer Shares representing approximately (i) 5.50% of the Offer Shares under the Global Offering, assuming that the Over-Allotment Option is not exercised; (ii) 1.37% of the Shares in issue upon completion of the Global Offering, assuming that the Over-Allotment Option is not exercised; or (iii) 1.32% of the Shares in issue upon completion of the Global Offering, assuming that the Over-Allotment Option is exercised in full.

GF Fund is a leading asset management company in mainland China, which has requisite licenses to provide comprehensive investment services for both domestic & foreign investors. GF Fund is incorporated in mainland China and operates under regulation of CSRC.

GF Fund is a subsidiary of GF Securities Co., Ltd. (“GF Securities”), whose shares are listed on the Stock Exchange (stock code: 1776) and the Shenzhen Stock Exchange (stock code: 000776). GF Securities is one of the first, full-service investment banks in China. GF Securities is a provider of comprehensive capital market services focused on serving China’s quality small and medium enterprises and affluent individuals. GF Securities is an industry leader across the entire spectrum of its core business services: investment banking, wealth management, brokerage and institutional client services, and investment management.

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Beijing Cihang

Beijing Cihang Investment Fund Management Co., Ltd. (“Beijing Cihang”) has agreed to subscribe for such number of Offer Shares (rounded down to the nearest whole board lot of 500 Shares) which may be purchased with Hong Kong dollars equivalent to US\$30 million at the Offer Price (calculated at the exchange rate published by Reuters after the close of business as of the Price Determination Date).

Assuming an Offer Price of HK\$7.68 (being the low end of the Offer Price range set out in this prospectus), Beijing Cihang would subscribe for 30,285,000 Offer Shares representing approximately (i) 7.16% of the Offer Shares under the Global Offering, assuming that the Over-Allotment Option is not exercised; (ii) 1.79% of the Shares in issue upon completion of the Global Offering, assuming that the Over-Allotment Option is not exercised; or (iii) 1.72% of the Shares in issue upon completion of the Global Offering, assuming that the Over-Allotment Option is exercised in full. Assuming an Offer Price of HK\$8.84 (being the mid-point end of the Offer Price range set out in this prospectus), Beijing Cihang would subscribe for 26,311,000 Offer Shares representing approximately (i) 6.22% of the Offer Shares under the Global Offering, assuming that the Over-Allotment Option is not exercised; (ii) 1.55% of the Shares in issue upon completion of the Global Offering, assuming that the Over-Allotment Option is not exercised; or (iii) 1.50% of the Shares in issue upon completion of the Global Offering, assuming that the Over-Allotment Option is exercised in full. Assuming an Offer Price of HK\$10.00 (being the high end of the Offer Price range set out in this prospectus), Beijing Cihang would subscribe for 23,259,000 Offer Shares representing approximately (i) 5.50% of the Offer Shares under the Global Offering, assuming that the Over-Allotment Option is not exercised; (ii) 1.37% of the Shares in issue upon completion of the Global Offering, assuming that the Over-Allotment Option is not exercised; or (iii) 1.32% of the Shares in issue upon completion of the Global Offering, assuming that the Over-Allotment Option is exercised in full.

Beijing Cihang was established on April 12, 2013 and is a subsidiary of HNA Group Limited (“HNA Group”). Beijing Cihang is a professional institution registered with Asset Management Association of China with focus on equity investment and management. Beijing Cihang serves to HNA Group as a development platform of fund raising, investment, post-investment management and exit dedicated in healthcare sector. It leverages financial concepts and technologies to facilitate strategic expansion and strategic investment of HNA Group in healthcare sector with main business on healthcare equity investment, medical equity investment and senior care industry fund. Beijing Cihang has agreed to procure a wholly owned subsidiary of HNA Group incorporated in Hong Kong to subscribe for such number of Offer Shares on its behalf and as its nominee.

Beijing Infrastructure

Beijing Infrastructure Investment (Hong Kong) Limited (“Beijing Infrastructure”) has agreed to subscribe for such number of Offer Shares (rounded down to the nearest whole board lot of 500 Shares) which may be purchased with Hong Kong dollars equivalent to US\$20 million at the Offer Price (calculated at the exchange rate published by Reuters after the close of business as of the Price Determination Date).

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Assuming an Offer Price of HK\$7.68 (being the low end of the Offer Price range set out in this prospectus), Beijing Infrastructure would subscribe for 20,190,000 Offer Shares representing approximately (i) 4.77% of the Offer Shares under the Global Offering, assuming that the Over-Allotment Option is not exercised; (ii) 1.19% of the Shares in issue upon completion of the Global Offering, assuming that the Over-Allotment Option is not exercised; or (iii) 1.15% of the Shares in issue upon completion of the Global Offering, assuming that the Over-Allotment Option is exercised in full. Assuming an Offer Price of HK\$8.84 (being the mid-point end of the Offer Price range set out in this prospectus), Beijing Infrastructure would subscribe for 17,540,500 Offer Shares representing approximately (i) 4.14% of the Offer Shares under the Global Offering, assuming that the Over-Allotment Option is not exercised; (ii) 1.04% of the Shares in issue upon completion of the Global Offering, assuming that the Over-Allotment Option is not exercised; or (iii) 1.00% of the Shares in issue upon completion of the Global Offering, assuming that the Over-Allotment Option is exercised in full. Assuming an Offer Price of HK\$10.00 (being the high end of the Offer Price range set out in this prospectus), Beijing Infrastructure would subscribe for 15,506,000 Offer Shares representing approximately (i) 3.66% of the Offer Shares under the Global Offering, assuming that the Over-Allotment Option is not exercised; (ii) 0.92% of the Shares in issue upon completion of the Global Offering, assuming that the Over-Allotment Option is not exercised; or (iii) 0.88% of the Shares in issue upon completion of the Global Offering, assuming that the Over-Allotment Option is exercised in full.

Beijing Infrastructure is a wholly owned subsidiary of Beijing Infrastructure Investment Co., Ltd. (“BII”). BII is a wholly state-owned company funded by Beijing State-owned Assets Supervision and Administration Commission. At present, BII engages in the investment and financing of the infrastructure of Beijing’s rail transit, as well as its pre-establishment planning, asset input, capital management, and the exploitation and management of relative resources and other tasks. BII is an influential company integrating investment and financing in Beijing.

Hengjian International

Hengjian International Investment Holding (Hong Kong) Limited (“Hengjian International”) has agreed to subscribe for such number of Offer Shares (rounded down to the nearest whole board lot of 500 Shares) which may be purchased with Hong Kong dollars equivalent to US\$10 million at the Offer Price (calculated at the exchange rate published by Reuters after the close of business as of the Price Determination Date).

Assuming an Offer Price of HK\$7.68 (being the low end of the Offer Price range set out in this prospectus), Hengjian International would subscribe for 10,095,000 Offer Shares representing approximately (i) 2.39% of the Offer Shares under the Global Offering, assuming that the Over-Allotment Option is not exercised; (ii) 0.60% of the Shares in issue upon completion of the Global Offering, assuming that the Over-Allotment Option is not exercised; or (iii) 0.57% of the Shares in issue upon completion of the Global Offering, assuming that the Over-Allotment Option is exercised in full. Assuming an Offer Price of HK\$8.84 (being the mid-point end of the Offer Price range set out in this prospectus), Hengjian International would subscribe for 8,770,000 Offer Shares representing approximately (i) 2.07% of the Offer Shares under the Global Offering, assuming that the Over-Allotment Option is not exercised; (ii) 0.52%

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of the Shares in issue upon completion of the Global Offering, assuming that the Over-Allotment Option is not exercised; or (iii) 0.50% of the Shares in issue upon completion of the Global Offering, assuming that the Over-Allotment Option is exercised in full. Assuming an Offer Price of HK\$10.00 (being the high end of the Offer Price range set out in this prospectus), Hengjian International would subscribe for 7,753,000 Offer Shares representing approximately (i) 1.83% of the Offer Shares under the Global Offering, assuming that the Over-Allotment Option is not exercised; (ii) 0.46% of the Shares in issue upon completion of the Global Offering, assuming that the Over-Allotment Option is not exercised; or (iii) 0.44% of the Shares in issue upon completion of the Global Offering, assuming that the Over-Allotment Option is exercised in full.

Hengjian International, a company incorporated in Hong Kong, is wholly-owned by Guangdong Hengjian Investment Holding Co., Ltd (“GD Hengjian”) as its only overseas investment vehicle. GD Hengjian is a solely state-owned enterprise established by the Guangdong State-owned Assets Supervision and Administration Commission in 2007, with the support of the People’s Government of Guangdong Province. GD Hengjian undertakes four major functionalities including “fundraising, investment, assets management and capital deployment” in respect of assets held by the People’s Government of Guangdong province. GD Hengjian is a minority shareholder of CGN Power Co., Ltd. (on behalf of the People’s Government of Guangdong Province), whose shares are listed and traded on the Stock Exchange (stock code: 1816).

Heywin

Heywin Investments Limited (“Heywin”) has agreed to subscribe for such number of Offer Shares (rounded down to the nearest whole board lot of 500 Shares) which may be purchased with Hong Kong dollars equivalent to US\$10 million at the Offer Price (calculated at the exchange rate published by Reuters after the close of business as of the Price Determination Date).

Assuming an Offer Price of HK\$7.68 (being the low end of the Offer Price range set out in this prospectus), Heywin would subscribe for 10,095,000 Offer Shares representing approximately (i) 2.39% of the Offer Shares under the Global Offering, assuming that the Over-Allotment Option is not exercised; (ii) 0.60% of the Shares in issue upon completion of the Global Offering, assuming that the Over-Allotment Option is not exercised; or (iii) 0.57% of the Shares in issue upon completion of the Global Offering, assuming that the Over-Allotment Option is exercised in full. Assuming an Offer Price of HK\$8.84 (being the mid-point end of the Offer Price range set out in this prospectus), Heywin would subscribe for 8,770,000 Offer Shares representing approximately (i) 2.07% of the Offer Shares under the Global Offering, assuming that the Over-Allotment Option is not exercised; (ii) 0.52% of the Shares in issue upon completion of the Global Offering, assuming that the Over-Allotment Option is not exercised; or (iii) 0.50% of the Shares in issue upon completion of the Global Offering, assuming that the Over-Allotment Option is exercised in full. Assuming an Offer Price of HK\$10.00 (being the high end of the Offer Price range set out in this prospectus), Heywin would subscribe for 7,753,000 Offer Shares representing approximately (i) 1.83% of the Offer

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Shares under the Global Offering, assuming that the Over-Allotment Option is not exercised; (ii) 0.46% of the Shares in issue upon completion of the Global Offering, assuming that the Over-Allotment Option is not exercised; or (iii) 0.44% of the Shares in issue upon completion of the Global Offering, assuming that the Over-Allotment Option is exercised in full.

Heywin, being a wholly-owned subsidiary of TCL Corporation, is an investment company incorporated in the British Virgin Islands with limited liability. TCL Corporation is a company established under the laws of the PRC and its shares are listed on the Shenzhen Stock Exchange (stock code: 000100) since 30 January 2004. Founded in 1981, TCL Corporation is one of the largest consumer electronics conglomerates in China with a global presence.

China Innovative Capital

China Innovative Capital Management Limited (“CICM”) has agreed to subscribe for such number of Offer Shares (rounded down to the nearest whole board lot of 500 Shares) which may be purchased with Hong Kong dollars equivalent to US\$10 million at the Offer Price (calculated at the exchange rate published by Reuters after the close of business as of the Price Determination Date).

Assuming an Offer Price of HK\$7.68 (being the low end of the Offer Price range set out in this prospectus), CICM would subscribe for 10,095,000 Offer Shares representing approximately (i) 2.39% of the Offer Shares under the Global Offering, assuming that the Over-Allotment Option is not exercised; (ii) 0.60% of the Shares in issue upon completion of the Global Offering, assuming that the Over-Allotment Option is not exercised; or (iii) 0.57% of the Shares in issue upon completion of the Global Offering, assuming that the Over-Allotment Option is exercised in full. Assuming an Offer Price of HK\$8.84 (being the mid-point end of the Offer Price range set out in this prospectus), CICM would subscribe for 8,770,000 Offer Shares representing approximately (i) 2.07% of the Offer Shares under the Global Offering, assuming that the Over-Allotment Option is not exercised; (ii) 0.52% of the Shares in issue upon completion of the Global Offering, assuming that the Over-Allotment Option is not exercised; or (iii) 0.50% of the Shares in issue upon completion of the Global Offering, assuming that the Over-Allotment Option is exercised in full. Assuming an Offer Price of HK\$10.00 (being the high end of the Offer Price range set out in this prospectus), CICM would subscribe for 7,753,000 Offer Shares representing approximately (i) 1.83% of the Offer Shares under the Global Offering, assuming that the Over-Allotment Option is not exercised; (ii) 0.46% of the Shares in issue upon completion of the Global Offering, assuming that the Over-Allotment Option is not exercised; or (iii) 0.44% of the Shares in issue upon completion of the Global Offering, assuming that the Over-Allotment Option is exercised in full.

CICM was established in 2011 with registered capital of RMB400 million and approved by the Securities Association of China and the China Securities Investment Fund Industry Association. CICM is committed to becoming one of the leading companies focused on equity investment and asset management, with business coverage in private placement of equity, industrial restructuring, secondary market investment, investment in overseas markets, investment in national equities exchange & quotations, and financial services. CICM sets

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private placement as core business and offers secondary market investment, industrial fund, asset acquisition and comprehensive financial service in order to meet the needs of listed companies. CICM has agreed to cause a trust manager that is a qualified domestic institutional investor to subscribe on its behalf at the Offer Price for such number of Offer Shares.

Estate Summer

Estate Summer Limited (“Estate Summer”) has agreed to subscribe for such number of Offer Shares (rounded down to the nearest whole board lot of 500 Shares) which may be purchased with Hong Kong dollars equivalent to US\$10 million at the Offer Price (calculated at the exchange rate published by Reuters after the close of business as of the Price Determination Date).

Assuming an Offer Price of HK\$7.68 (being the low end of the Offer Price range set out in this prospectus), Estate Summer would subscribe for 10,095,000 Offer Shares representing approximately (i) 2.39% of the Offer Shares under the Global Offering, assuming that the Over-Allotment Option is not exercised; (ii) 0.60% of the Shares in issue upon completion of the Global Offering, assuming that the Over-Allotment Option is not exercised; or (iii) 0.57% of the Shares in issue upon completion of the Global Offering, assuming that the Over-Allotment Option is exercised in full. Assuming an Offer Price of HK\$8.84 (being the mid-point end of the Offer Price range set out in this prospectus), Estate Summer would subscribe for 8,770,000 Offer Shares representing approximately (i) 2.07% of the Offer Shares under the Global Offering, assuming that the Over-Allotment Option is not exercised; (ii) 0.52% of the Shares in issue upon completion of the Global Offering, assuming that the Over-Allotment Option is not exercised; or (iii) 0.50% of the Shares in issue upon completion of the Global Offering, assuming that the Over-Allotment Option is exercised in full. Assuming an Offer Price of HK\$10.00 (being the high end of the Offer Price range set out in this prospectus), Estate Summer would subscribe for 7,753,000 Offer Shares representing approximately (i) 1.83% of the Offer Shares under the Global Offering, assuming that the Over-Allotment Option is not exercised; (ii) 0.46% of the Shares in issue upon completion of the Global Offering, assuming that the Over-Allotment Option is not exercised; or (iii) 0.44% of the Shares in issue upon completion of the Global Offering, assuming that the Over-Allotment Option is exercised in full.

Estate Summer is a British Virgin Islands incorporated limited liability company. It is a personal investment holding company wholly owned by Ms. Ho Chiu King Pansy, who is also an investor in other businesses such as shipping and gaming in Hong Kong and Macau. The principal business of Estate Summer is investment and investment holding.

CORNERSTONE INVESTORS

CONDITIONS PRECEDENT

The subscription obligation of each Cornerstone Investor is subject to, among other things, the following conditions precedent:

- (a) the Hong Kong Underwriting Agreement and the International Underwriting Agreement having been entered into and having become effective and unconditional (in accordance with their respective original terms or as subsequently varied by agreement of the parties thereto) and not having been terminated;
- (b) neither of the Hong Kong Underwriting Agreement and the International Underwriting Agreement having been terminated; and
- (c) the Listing Committee of the Stock Exchange having granted the listing of, and permission to deal in, the Shares and that such approval or permission has not been revoked.

RESTRICTIONS ON THE CORNERSTONE INVESTORS

Each of the Cornerstone Investors has agreed that, without the prior written consent of our Company, the Joint Global Coordinators and the relevant Joint Bookrunners, it will not, whether directly or indirectly, at any time during the period of six months following the Listing Date, dispose of (as defined in the relevant cornerstone investment agreement) any of the relevant Shares or any interest in any company or entity holding any of the relevant Shares, other than in certain limited circumstances such as transfers to any wholly-owned subsidiaries of such Cornerstone Investor, provided that, among other things, such wholly-owned subsidiary gives a written undertaking agreeing to, and the Cornerstone Investor undertakes to procure that such wholly-owned subsidiary will, be bound by the Cornerstone Investor's obligations under the relevant cornerstone investment agreement.

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Joint Global Coordinators

Goldman Sachs (Asia) L.L.C.
Nomura International (Hong Kong) Limited

Joint Bookrunners and Joint Lead Managers

Goldman Sachs (Asia) L.L.C.
Nomura International (Hong Kong) Limited
ICBC International Capital Limited
(in the capacity as a Joint Bookrunner in relation to the Global Offering)
ICBC International Securities Limited
(in the capacity as a Joint Lead Manager in relation to the Global Offering)
CCB International Capital Limited
CLSA Limited
VMS Securities Limited
China Merchants Securities (HK) Co., Limited

UNDERWRITING ARRANGEMENTS AND EXPENSES

Hong Kong Public Offering

Hong Kong Underwriting Agreement

Under the Hong Kong Underwriting Agreement, we are offering the Hong Kong Offer Shares for subscription by the public in Hong Kong at the Offer Price, on the terms and subject to the conditions of this prospectus and the Application Forms. Subject to the Listing Committee granting the listing of, and permission to deal in, the Shares in issue and to be issued as mentioned in this prospectus and to certain other conditions set out in the Hong Kong Underwriting Agreement, the Hong Kong Underwriters have agreed severally and not jointly to procure subscribers for, or themselves to subscribe for, their respective proportions of the Hong Kong Offer Shares which are being offered but are not taken up under the Hong Kong Public Offering on the terms and subject to the conditions of this prospectus, the Application Forms and the Hong Kong Underwriting Agreement.

The Hong Kong Underwriting Agreement is conditional on and subject to, among others, the International Underwriting Agreement having been signed and having become unconditional.

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Grounds for termination

The obligations of the Hong Kong Underwriters to subscribe or procure subscribers for the Hong Kong Offer Shares under the Hong Kong Underwriting Agreement are subject to termination by notice from the Joint Global Coordinators (for themselves and on behalf of the Hong Kong Underwriters) to our Company if, at any time prior to 8:00 a.m. on the Listing Date:

- (a) there shall develop, occur, exist or come into effect:
 - (i) any local, national, regional or international event or circumstance in the nature of force majeure (including any acts of government, declaration of a national or international emergency or war, calamity, crisis, epidemic, pandemic, outbreak of disease, economic sanctions, strikes, lock-outs, fire, explosion, flooding, earthquake, volcanic eruption, civil commotion, riots, public disorder, acts of war, outbreak or escalation of hostilities (whether or not war is declared), acts of God or acts of terrorism) in or affecting any relevant jurisdictions as set out in the Hong Kong Underwriting Agreement; or
 - (ii) any change, or any development involving a prospective change, or any event or circumstance likely to result in any change or development involving a prospective change, in any local, national, regional or international financial, economic, political, military, industrial, fiscal, regulatory, currency, credit or market conditions (including conditions in the stock and bond markets, money and foreign exchange markets, the interbank markets and credit markets) in or affecting any relevant jurisdictions as set out in the Hong Kong Underwriting Agreement; or
 - (iii) any moratorium, suspension or restriction (including any imposition of or requirement for any minimum or maximum price limit or price range) in or on trading in securities of our Company or generally on the Stock Exchange, the Shanghai Stock Exchange, the Shenzhen Stock Exchange, the New York Stock Exchange, the NASDAQ Global Market, the London Stock Exchange or the Tokyo Stock Exchange; or
 - (iv) any general moratorium on commercial banking activities in Hong Kong (imposed by the Financial Secretary or the Hong Kong Monetary Authority or other competent authority), the PRC, New York (imposed at Federal or New York State level or other competent authority), London, or any other relevant jurisdictions as set out in the Hong Kong Underwriting Agreement, or any disruption in commercial banking or foreign exchange trading or securities settlement or clearance services, procedures or matters in any of those places or jurisdictions; or

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- (v) any new law, or any change or any development involving a prospective change or any event or circumstance likely to result in a change or a development involving a prospective change in (or in the interpretation or application by any court or other competent authority of) existing laws, in each case, in or affecting any relevant jurisdictions as set out in the Hong Kong Underwriting Agreement; or
- (vi) the imposition of sanctions, in whatever form, directly or indirectly, under any sanction laws or regulations in Hong Kong, the PRC or any other relevant jurisdictions as set out in the Hong Kong Underwriting Agreement; or
- (vii) any change or development involving a prospective change in or affecting taxes or exchange control, currency exchange rates or foreign investment regulations (including a material devaluation of the Hong Kong dollar or the Renminbi against any foreign currencies), or the implementation of any exchange control, in any relevant jurisdictions as set out in the Hong Kong Underwriting Agreement; or
- (viii) any litigation or claim of any third party being threatened or instigated against any member of our Group; or
- (ix) any Director or a member of senior management named in this prospectus being charged with an indictable offence or prohibited by operation of law or otherwise disqualified from taking part in the management or being a director of a company; or
- (x) the chairman, the chief executive officer or the chief financial officer of our Company vacating their offices; or
- (xi) an authority or a political body or organization in any relevant jurisdictions as set out in the Hong Kong Underwriting Agreement commencing any investigation or other action, or announcing an intention to investigate or take other action, against any executive Director; or
- (xii) a contravention by any member of our Group of the Listing Rules or applicable laws; or
- (xiii) a prohibition by an authority on our Company for whatever reason from offering, allotting, issuing or selling any of the Shares (including any additional Shares that may be issued pursuant to the exercise of the Over-Allotment Option) pursuant to the terms of the Global Offering; or
- (xiv) non-compliance of this prospectus (or any other documents used in connection with the contemplated offer and sale of the Shares) or any aspect of the Global Offering with the Listing Rules or any other applicable laws; or

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- (xv) the issue or requirement to issue by our Company of any supplement or amendment to this prospectus (or to any other documents used in connection with the contemplated offer and sale of the Shares) pursuant to the COWUMPO or the Listing Rules or any requirement or request of the Stock Exchange and/or the SFC; or

- (xvi) an order or petition for the winding-up of any member of our Group, or any composition or arrangement made by any member of our Group with our creditors, or a scheme of arrangement entered into by any member of our Group, or any resolution for the winding-up of any member of our Group, or the appointment of a provisional liquidator, receiver or manager over all or part of the material assets or undertaking of any member of our Group, or anything analogous thereto occurring in respect of any member of our Group,

which, individually or in the aggregate, in the sole opinion of the Joint Global Coordinators, (1) has or will have or is likely to have a material adverse effect on the assets, liabilities, business, management, prospects, shareholders' equity, profits, losses, results of operations, position or condition, financial or otherwise, or performance of our Group as a whole; or (2) has or will have or may have a material adverse effect on the success of the Global Offering or the level of applications under the Hong Kong Public Offering or the level of interest under the International Placing; or (3) makes or will make or may make it inadvisable or inexpedient or impracticable for the Global Offering to proceed or to market the Global Offering; or (4) has or will have or may have the effect of making any part of the Hong Kong Underwriting Agreement (including underwriting) incapable of performance in accordance with its terms or preventing the processing of applications and/or payments pursuant to the Global Offering or pursuant to the underwriting thereof; or

- (b) there has come to the notice of the Joint Global Coordinators:
 - (i) that any statement contained in any of this prospectus, the Application Forms, the formal notice, the offering documents (as defined in the Hong Kong Underwriting Agreement), the operative documents (as defined in the Hong Kong Underwriting Agreement), the post-hearing-information pack, the preliminary offering circular and other offer awareness materials issued by or on behalf of our Company in connection with the Hong Kong Public Offering (the "Offer Related Documents") (including any supplement or amendment thereto) was, when it was issued, or has become, untrue, incorrect or misleading in any material respect, or that any forecast, estimate, expression of opinion, intention or expectation contained in any of the Offer Related Documents (including any supplement or amendment thereto) is not fair and honest and based on reasonable assumptions; or

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- (ii) that any matter has arisen or has been discovered which would, had it arisen or been discovered immediately before the date of this prospectus, constitute a material omission from any of the Offer Related Documents (including any supplement or amendment thereto); or
- (iii) any material breach of any of the obligations imposed upon any party to the Hong Kong Underwriting Agreement (other than upon any of the Hong Kong Underwriters); or
- (iv) any event, act or omission which gives or is likely to give rise to any material liability of any of the indemnifying parties as set out in the Hong Kong Underwriting Agreement; or
- (v) any material adverse change, or any development involving a prospective material adverse change, in the assets, liabilities, business, management, prospects, shareholders' equity, profits, losses, results of operations, position or condition, financial or otherwise, or performance of our Group as a whole; or
- (vi) any breach of, or any event or circumstance rendering untrue or incorrect in any material respect, any of the representations, warranties, agreements and undertakings of our Company set out in the Hong Kong Underwriting Agreement; or
- (vii) approval by the Listing Committee of the Stock Exchange of the listing of, and permission to deal in, the Shares to be issued or sold (including any additional Shares that may be issued or sold pursuant to the exercise of the Over-Allotment Option) under the Global Offering is refused or not granted, other than subject to customary conditions, on or before the Listing Date, or if granted, the approval is subsequently withdrawn, qualified (other than by customary conditions) or withheld; or
- (viii) our Company withdraws any of the Offer Related Documents or the Global Offering; or
- (ix) any person (other than the Joint Sponsors) has withdrawn or is subject to withdrawing its consent to being named in this prospectus or to the issue of either this prospectus and/or the Application Forms.

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Undertakings

Undertakings to the Stock Exchange under the Listing Rules

(A) Undertaking by us

Under Rule 10.08 of the Listing Rules, we have undertaken to the Stock Exchange that we will not issue any further Shares or securities convertible into our equity securities (whether or not of a class already listed) or enter into any agreement to make any such issue within six months from the Listing Date (whether or not such issue of Shares or securities will be completed within six months from the commencement of dealing), except pursuant to the Global Offering (including the exercise of the Over-Allotment Option) or for the circumstances provided under Rule 10.08 of the Listing Rules.

(B) Undertaking by the Controlling Shareholders

In accordance with Rule 10.07(1) of the Listing Rules, the Controlling Shareholders have undertaken to the Stock Exchange, our Company and the Hong Kong Underwriters that except pursuant to the stock borrowing arrangement that may be entered into with the Stabilizing Manager or its agent, or save for the creation of a pledge or charge as permitted under Note (2) to Rule 10.07(2) of the Listing Rules (the “Permissible Pledge”) or disposal pursuant to the Permissible Pledge, each of the Controlling Shareholders shall not (and they shall procure that the registered holders of GT Group Shares (as defined below) shall not: (a) at any time during the period commencing from the date of this prospectus and ending on the date which is six months from the Listing Date (the “First Six-Month Period”), whether directly or indirectly, dispose of, or enter into any agreement to dispose of or otherwise create any options, rights, interests or encumbrances in respect of, any of the Shares (the “GT Group Shares”) in respect of which they are shown by this prospectus to be the beneficial owners; and (b) they will not, at any time during the period of six months from the expiry of the First Six-Month Period, dispose of or enter into any agreement to dispose of or otherwise create any options, rights, interests or encumbrances in respect of, any of the GT Group Shares referred to in paragraph (a) above if, immediately following such disposal or upon the exercise or enforcement of such options, rights, interests or encumbrances, they would cease to be the Controlling Shareholders.

Note (2) to Rule 10.07(2) of the Listing Rules provides that the rule does not prevent a controlling shareholder from using the shares owned by it as security (including a charge or a pledge) in favor of an authorized institution (as defined in the Banking Ordinance (Chapter 155 of the Laws of Hong Kong)) for a bona fide commercial loan.

The Controlling Shareholders have further undertaken to the Stock Exchange, our Company and the Hong Kong Underwriters that they will, within a period commencing on the date of this prospectus and ending on a date which is 12 months from the Listing Date, immediately inform us in writing of:

- (a) any pledges or charges of any GT Group Shares beneficially owned by them in favor of any authorized institution as permitted pursuant to Note (2) to Rule 10.07 of the Listing Rules, and the number of such Shares so pledged or charged; and

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- (b) any indication received by them, either verbal or written, from any pledgee or chargee of any of the GT Group Shares pledged or charged will be disposed of.

We will also inform the Stock Exchange as soon as we have been informed of any of the above matters (if any) by the Controlling Shareholders and disclose such matters in accordance with the publication requirements under Rule 2.07C of the Listing Rules as soon as possible after being so informed by the Controlling Shareholders.

Undertakings under the Hong Kong Underwriting Agreement

Pursuant to the Hong Kong Underwriting Agreement, we have undertaken to each of the Joint Global Coordinators, the Joint Sponsors, the Joint Bookrunners and the Hong Kong Underwriters that, except pursuant to the Global Offering (including pursuant to the Over-Allotment Option) and otherwise pursuant to the Listing Rules at any time from the Listing Date up to and including the date falling six months from the Listing Date (the “First Six-Month Period”), we will not, without the prior written consent of the Joint Sponsors, the Joint Global Coordinators and the Joint Bookrunners (on behalf of the Hong Kong Underwriters) and unless in compliance with the requirements set out in the Listing Rules:

- (i) allot, issue, sell, accept subscription for, offer to allot, issue or sell, contract or agree to allot, issue or sell, mortgage, charge, pledge, hypothecate, lend, grant or sell any option, warrant, contract or right to subscribe for or purchase, grant or purchase any option, warrant, contract or right to allot, issue or sell, or otherwise transfer or dispose of or create an encumbrance over, or agree to transfer or dispose of or create an encumbrance over, either directly or indirectly, conditionally or unconditionally, any Shares or other equity securities of our Company or any interest in any of the foregoing (including any securities convertible into or exchangeable or exercisable for or that represent the right to receive, or any warrants or other rights to purchase, any Shares), or deposit any Shares with a depositary in connection with the issue of depositary receipts; or
- (ii) enter into any swap or other arrangement that transfers to another, in whole or in part, any of the economic consequences of ownership of any Shares or other equity securities of our Company, or any interest in any of the foregoing (including any securities convertible into or exchangeable or exercisable for or that represent the right to receive, or any warrants or other rights to purchase any Shares); or
- (iii) enter into any transaction with the same economic effect as any transaction specified in (i) or (ii) above; or
- (iv) offer, agree or announce any intention to effect any transaction specified in (i), (ii) or (iii) above,

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in each case, whether any of the transactions specified in (i), (ii) or (iii) above is to be settled by delivery of Shares or other equity securities of our Company, as applicable, or in cash or otherwise (whether or not the issue of such Shares or other equity securities of our Company will be completed within the First Six-Month Period). If, during the period of six months commencing on the date on which the First Six-Month Period expires, our Company enters into any of the transactions specified in (i), (ii) or (iii) above or offers to or agrees to or announces any intention to effect any such transaction, our Company shall take all reasonable steps to ensure that it will not create a disorderly or false market in the securities of our Company in a manner that violates the SFO.

Undertakings by Certain Existing Shareholders

See “History and Development — Subdivision of Shares” for lock-up undertakings by certain existing Shareholders in favor of our Company and the Joint Global Coordinators.

Indemnity

We have agreed to indemnify the Joint Sponsors, the Joint Global Coordinators, the Joint Bookrunners and the Hong Kong Underwriters for certain losses which they may suffer, including losses incurred arising from their performance of their obligations under the Hong Kong Underwriting Agreement and any breach by us of the Hong Kong Underwriting Agreement.

International Placing

International Underwriting Agreement

In connection with the International Placing, we, among others, expect to enter into the International Underwriting Agreement with the International Underwriters. Under the International Underwriting Agreement, the International Underwriters, subject to certain conditions, will agree severally and not jointly to procure purchasers for, or themselves purchase, their respective proportions of the International Placing Shares being offered under the International Placing.

Under the International Underwriting Agreement, we expect to grant to the International Underwriters the Over-Allotment Option, exercisable by the Joint Global Coordinators at any time from the Listing Date up to (and including) the date which is the 30th day after the last day for lodging applications under the Hong Kong Public Offering, to require us to allot and issue up to 63,478,000 additional Shares, representing an aggregate of approximately 15.0% of the number of Offer Shares initially available under the Global Offering. These Shares will be issued or sold at the Offer Price and will be for the purpose of, among other things (such as effecting the permitted stabilizing actions as described in the section headed “Structure of the Global Offering—Stabilization”), covering over-allocations, if any, in the International Placing.

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It is expected that the International Underwriting Agreement may be terminated on similar grounds as those in the Hong Kong Underwriting Agreement. Potential investors shall be reminded that if the International Underwriting Agreement is not entered into, the Global Offering will not proceed.

Commissions and Expenses

The Hong Kong Underwriters will receive a commission of 2.5% of the aggregate Offer Price payable for the Hong Kong Offer Shares initially offered under the Hong Kong Public Offering, out of which they will pay any sub-underwriting commissions.

For unsubscribed Hong Kong Offer Shares reallocated to the International Placing, the underwriting commission will not be paid to the Hong Kong Underwriters but will instead be paid to the International Underwriters in accordance with the International Underwriting Agreement.

The commissions payable to the Underwriters will be borne by our Company in relation to the new Shares to be issued under the Global Offering. Our Company may also, in its sole and absolute discretion, pay to any one or more Joint Bookrunners an additional incentive fee of up to 1.0% of the Offer Price multiplied by the total number of the Offer Shares (the “Incentive Fee”).

The aggregate underwriting fees and commissions, together with listing fees, SFC transaction levy and the Stock Exchange trading fee in respect of the new Shares offered by us, legal and other professional fees and printing and other expenses relating to the Global Offering, are estimated to be approximately HK\$178.6 million (assuming the mid-point of the Offer Price range stated in this prospectus and the Over-Allotment Option is not exercised) in total and are payable by us.

Activities by Syndicate Members

We describe below a variety of activities that each of the underwriters of the Hong Kong Public Offering and the International Placing, together referred to as “Syndicate Members,” may individually undertake, and which do not form part of the underwriting or the stabilizing process. When engaging in any of these activities, it should be noted that the Syndicate Members are subject to restrictions, including the following:

- (a) under the agreement among the Syndicate Members, all of them (except for the Stabilizing Manager or its designated affiliate as the stabilizing manager) must not, in connection with the distribution of the Offer Shares, effect any transactions (including issuing or entering into any option or other derivative transaction relating to the Offer Shares), whether in the open market or otherwise, with a view to stabilizing or maintaining the market price of any of the Offer Shares at levels other than those which might otherwise prevail in the open market; and

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- (b) all of them must comply with all applicable laws, including the market misconduct provisions of the SFO, including the provisions prohibiting insider dealing, false trading, price rigging and stock market manipulation.

The Syndicate Members and their affiliates are diversified financial institutions with relationships in countries around the world. These entities engage in a wide range of commercial and investment banking, brokerage, funds management, trading, hedging, investing and other activities for their own account and for the accounts of others. In relation to the Shares, those activities could include acting as agent for buyers and sellers of the Shares, entering into transactions with those buyers and sellers in a principal capacity, proprietary trading in the Shares, and entering into over the counter or listed derivative transactions or listed and unlisted securities transactions (including issuing securities such as derivative warrants listed on a stock exchange) which have the Shares as their or part of their underlying assets. Those activities may require hedging activity by those entities involving, directly or indirectly, buying and selling the Shares. All such activity could occur in Hong Kong and elsewhere in the world and may result in the Syndicate Members and their affiliates holding long and/or short positions in the Shares, in baskets of securities or indices including the Shares, in units of funds that may purchase the Shares, or in derivatives related to any of the foregoing.

In relation to issues by the Syndicate Members or their affiliates of any listed securities having the Shares as their underlying securities, whether on the Stock Exchange or on any other stock exchange, the rules of the exchange may require the issuer of those securities (or one of its affiliates or agents) to act as a market maker or liquidity provider in the security, and this will also result in hedging activity in the Shares in most cases.

All of these activities may occur both during and after the end of the stabilizing period described under the section headed “Structure of the Global Offering—Stabilization” in this prospectus. These activities may affect the market price or value of the Shares, the liquidity or trading volume in the Shares, and the volatility of the Shares’ share price, and the extent to which this occurs from day to day cannot be estimated.

Underwriters’ Interest in Our Group

Save as disclosed in this prospectus and the obligations under the Hong Kong Underwriting Agreement and the International Underwriting Agreement and, if applicable, the Stock Borrowing Agreement, none of the Underwriters has any shareholding interest in any member of our Group or any right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of our Group.

Joint Sponsors’ Independence

Each of the Joint Sponsors satisfies the independence criteria applicable to sponsors as set out in Rule 3A.07 of the Listing Rules.

STRUCTURE OF THE GLOBAL OFFERING

THE GLOBAL OFFERING

This prospectus is published in connection with the Hong Kong Public Offering as part of the Global Offering. Goldman Sachs (Asia) L.L.C. and Nomura International (Hong Kong) Limited are the Joint Sponsors to the Listing and the Joint Global Coordinators.

The Global Offering comprises:

- the Hong Kong Public Offering of 42,319,000 Offer Shares (subject to adjustment as mentioned below) in Hong Kong as described below under “—Hong Kong Public Offering”; and
- the International Placing of 380,870,500 Offer Shares (subject to adjustment and the Over-Allotment Option as mentioned below) in the United States solely to QIBs as defined in Rule 144A pursuant to an exemption from registration requirements under the U.S. Securities Act, and outside the United States (including to professional, institutional and corporate investors and other investors who we anticipate to have a sizeable demand for the Offer Shares in Hong Kong) in offshore transactions in reliance on Regulation S.

Investors may apply for the Hong Kong Offer Shares under the Hong Kong Public Offering or indicate an interest, if qualified to do so, for the International Placing Shares under the International Placing, but may not do both. The Hong Kong Public Offering is open to members of the public in Hong Kong as well as to institutional and professional investors in Hong Kong. The International Placing will involve selective marketing of the International Placing Shares to QIBs as defined in Rule 144A in the United States pursuant to an exemption from registration requirements under the U.S. Securities Act, as well as to institutional and professional investors and other investors in other jurisdictions outside the United States in reliance on Regulation S. The International Underwriters are soliciting from prospective investors indications of interest in acquiring the International Placing Shares in the International Placing. Prospective investors will be required to specify the number of International Placing Shares they would be prepared to acquire either at different prices or at a particular price.

Certain employees of our Group (the “Employee Investors”) intend to subscribe for Offer Shares in the International Placing tranche through a directional asset management scheme managed by Shenwan Hongyuan Securities Co., Ltd (申萬宏源證券有限公司), a qualified domestic institutional investor (the “QDII Manager”) (the “Scheme”). For the purpose of participating in the Scheme, the Employee Investors intend to establish a special purpose fund (the “Fund”) managed by a professional fund management company (the “Fund Manager”). The Fund is expected to be the only subscriber for units in the Scheme. To the best knowledge of our Company, both the QDII Manager and the Fund Manager are independent third parties of our Company.

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Our Company will have procedures in place to ensure that the Employee Investors will not include any person who is either (i) a Core Connected Person of our Group or (ii) an existing shareholder of our Company or its close associate. No Offer Shares will be offered to the Employee Investors on a preferential basis and no preferential treatment will be given to the Employee Investors in the allocation of Offer Shares in the International Placing. No more than 10% of the Offer Shares in the International Placing tranche will be offered to the Employee Investors.

The Scheme has a maturity of one year, subject to extension by mutual consent, and will be redeemed in full upon maturity. After the Listing, redemptions under the Scheme will be permitted at any time prior to maturity.

Our PRC Legal Advisor has advised that, to the extent that the terms and conditions of the Scheme, the Fund and the transactions contemplated thereunder comply with the PRC laws and regulations, the Scheme, the Fund and the transactions contemplated thereunder are in compliance with PRC laws and regulations.

The number of Offer Shares to be offered under the Hong Kong Public Offering and the International Placing respectively may be subject to reallocation as described in the section headed “—Pricing and Allocation” below.

References in this prospectus to applications, Application Forms, application or subscription monies, or the procedure for application relate only to the Hong Kong Public Offering.

PRICING AND ALLOCATION

The Offer Price is expected to be fixed by agreement among the Joint Global Coordinators (on behalf of the Underwriters) and us on the Price Determination Date, when market demand for the Offer Shares will be determined. The Price Determination Date is expected to be on or around Tuesday, June 30, 2015 and, in any event, no later than Tuesday, July 7, 2015.

The Offer Price will be not more than HK\$10.00 per Offer Share and is expected to be not less than HK\$7.68 per Offer Share, unless otherwise announced not later than the morning of the last day for lodging applications under the Hong Kong Public Offering, as explained below. Prospective investors should be aware that the Offer Price to be determined on the Price Determination Date may be, but is not expected to be, lower than the indicative Offer Price range stated in this prospectus.

If, based on the level of interest expressed by prospective institutional and professional investors and other investors during the book-building process, the Joint Global Coordinators (on behalf of the Underwriters and with the consent of our Company) consider the number of Offer Shares being offered under the Global Offering and/or the indicative Offer Price range to be inappropriate, the Joint Global Coordinators (on behalf of the Underwriters) may reduce the number of Offer Shares being offered under the Global Offering and/or the indicative Offer

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Price range below that stated in this prospectus at any time on or before the morning of the last day for lodging applications under the Hong Kong Public Offering. In such a case, we will, as soon as practicable following the decision to make such reduction, and in any event not later than the morning of the last day for lodging applications under the Hong Kong Public Offering on Monday, June 29, 2015, cause to be published in the South China Morning Post (in English) and the Hong Kong Economic Times (in Chinese) notices of the reduction in the number of Offer Shares being offered under the Global Offering and/or the indicative Offer Price range. Such notices will also be available at our website at www.universalmcm.com and the website of the Stock Exchange at www.hkexnews.hk, and will also include confirmation or revision, as appropriate, of the Global Offering statistics as currently set out in the section headed "Summary" in this prospectus and any other financial information which may change as a result of such reduction. Before submitting applications for Hong Kong Offer Shares, applicants should have regard to the possibility that any announcement of a reduction in the number of Offer Shares being offered under the Global Offering and/or the indicative Offer Price range may not be made until the day which is the last day for lodging applications under the Hong Kong Public Offering. Upon the issue of such notices, the revised number of Offer Shares and/or the indicative Offer Price range will be final and conclusive. The Offer Price, if agreed upon, will be fixed within such revised Offer Price range. In the absence of any notice being published of a reduction in the number of Offer Shares being offered under the Global Offering and/or the indicative Offer Price range stated in this prospectus on or before the last day for lodging applications under the Hong Kong Public Offering, the Offer Price, if agreed upon, will under no circumstances be set outside the Offer Price range as stated in this prospectus.

The Offer Shares to be offered in the Hong Kong Public Offering and the International Placing may, in certain circumstances, be reallocated as between these offerings at the discretion of the Joint Global Coordinators. Allocation of the International Placing Shares under the International Placing will be determined by the Joint Global Coordinators and will be based on a number of factors including the level and timing of demand, total size of the relevant investor's invested assets or equity assets in the relevant sector and whether or not it is expected that the relevant investor is likely to buy further, and/or hold or sell Offer Shares after the Listing. Such allocation may be made to professional, institutional or corporate investors and is intended to result in a distribution of our Offer Shares on a basis which would lead to the establishment of a solid Shareholder base to the benefit of our Company and our Shareholders as a whole.

Allocation of Hong Kong Offer Shares to investors under the Hong Kong Public Offering will be based on the level of valid applications received under the Hong Kong Public Offering. The basis of allocation may vary, depending on the number of Hong Kong Offer Shares validly applied for by applicants. The allocation of Hong Kong Offer Shares could, where appropriate, consist of balloting, which would mean that some applicants may receive a higher allocation than others who have applied for the same number of Hong Kong Offer Shares, and those applicants who are not successful in the ballot may not receive any Hong Kong Offer Shares.

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The applicable Offer Price, the level of applications in the Hong Kong Public Offering, the level of indications of interest in the International Placing, the basis of allocations of the Hong Kong Offer Shares and the Hong Kong identity card/passport/Hong Kong business registration numbers of successful applicants under the Hong Kong Public Offering are expected to be made available through a variety of channels in the manner described in the section headed “How to Apply for the Hong Kong Offer Shares—11. Publication of Results” in this prospectus.

CONDITIONS OF THE HONG KONG PUBLIC OFFERING

Acceptance of all applications for the Hong Kong Offer Shares under the Hong Kong Public Offering is conditional on, among others:

- (a) the granting by the Listing Committee for the listing of, and permission to deal in, the Shares in issue, the Offer Shares (including any Shares which may be issued upon the exercise of the Over-Allotment Option) (subject only to allotment);
- (b) the Offer Price being duly determined and the execution and delivery of the Price Determination Agreement on or around the Price Determination Date;
- (c) the execution and delivery of the International Underwriting Agreement on or around the Price Determination Date; and
- (d) the obligations of the Underwriters under the Hong Kong Underwriting Agreement and the International Underwriting Agreement having become unconditional and not having been terminated in accordance with the terms of the respective agreements,

in each case on or before the dates and times specified in the Underwriting Agreements (unless and to the extent such conditions are validly waived on or before such dates and times) and in any event not later than Friday, July 24, 2015, being the 30th day after the date of this prospectus.

If, for any reason, the Offer Price is not agreed on or before Tuesday, July 7, 2015 between the Joint Global Coordinators (on behalf of the Underwriters) and us, the Global Offering will not proceed and will lapse.

If the above conditions are not fulfilled or waived before the times and dates specified, the Global Offering will lapse and the Stock Exchange will be notified immediately. We will cause a notice of the lapse of the Hong Kong Public Offering to be published in the South China Morning Post (in English) and the Hong Kong Economic Times (in Chinese) on the next day following its lapse. In such case, all application monies will be returned, without interest, on the terms set out in the section headed “How to Apply for the Hong Kong Offer Shares—13. Refund of Application Monies” in this prospectus. In the meantime, the application monies will be held in separate bank account(s) with the receiving banker(s) or other bank(s) in Hong Kong licensed under the Banking Ordinance (Chapter 155 of the Laws of Hong Kong) (as amended).

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Share certificates for the Offer Shares are expected to be issued on Tuesday, July 7, 2015 but will only become valid certificates of title at 8:00 a.m. on the Listing Date, provided that (a) the Global Offering has become unconditional in all respects and (b) neither of the Underwriting Agreements has been terminated in accordance with its terms.

The consummation of each of the Hong Kong Public Offering and the International Placing is conditional upon, among other things, the other becoming unconditional and not having been terminated in accordance with its terms.

HONG KONG PUBLIC OFFERING

Number of Offer Shares Initially Offered

We are initially offering 42,319,000 Offer Shares at the Offer Price, representing approximately 10% of the 423,189,000 Offer Shares initially available under the Global Offering, for subscription by the public in Hong Kong. Subject to the reallocation of Offer Shares between the International Placing and the Hong Kong Public Offering, the number of Offer Shares offered under the Hong Kong Public Offering will represent approximately 2.5% of our enlarged issued share capital immediately after the completion of the Global Offering, assuming that the Over-Allotment Option is not exercised.

Allocation

For allocation purposes only, the Hong Kong Offer Shares initially being offered for subscription under the Hong Kong Public Offering (after taking into account any adjustment in the number of Offer Shares allocated between the Hong Kong Public Offering and the International Placing) will be divided equally into two pools (subject to adjustment of odd lot size): Pool A will comprise 21,159,500 Hong Kong Offer Shares and Pool B will comprise 21,159,500 Hong Kong Offer Shares, both of which will be available on an equitable basis to successful applicants. All valid applications that have been received for Hong Kong Offer Shares with a total amount (excluding brokerage, SFC transaction levy and Stock Exchange trading fee) of HK\$5.0 million or less will fall into Pool A and all valid applications that have been received for Hong Kong Offer Shares with a total amount (excluding brokerage, SFC transaction levy and Stock Exchange trading fee) of more than HK\$5.0 million and up to the total value of Pool B will fall into Pool B.

Applicants should be aware that applications in Pool A and Pool B are likely to receive different allocation ratios. If Hong Kong Offer Shares in one pool (but not both pools) are under-subscribed, the surplus Hong Kong Offer Shares will be transferred to the other pool to satisfy demand in that other pool and be allocated accordingly. Applicants can only receive an allocation of Hong Kong Offer Shares from either Pool A or Pool B but not from both pools and may only apply for Hong Kong Offer Shares in either Pool A or Pool B. In addition, multiple or suspected multiple applications within either pool or in both pools will be rejected. No application will be accepted from applicants for more than 21,159,500 Hong Kong Offer Shares (being 50% of the initial number of Hong Kong Offer Shares).

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Reallocation and clawback

Paragraph 4.2 of the Practice Note 18 of the Listing Rules requires a clawback mechanism to be put in place, which would have the effect of increasing the number of Hong Kong Offer Shares to certain percentages of the total number of Offer Shares offering in the Global Offering if certain prescribed total demand levels are reached.

The allocation of Offer Shares between the Hong Kong Public Offering and the International Placing is subject to adjustment. If the number of Offer Shares validly applied for in the Hong Kong Public Offering represents (a) 15 times or more but less than 50 times, (b) 50 times or more but less than 100 times, and (c) 100 times or more, of the number of Offer Shares initially available under the Hong Kong Public Offering, the total number of Offer Shares available under the Hong Kong Public Offering will be increased to 126,957,000, 169,276,000 and 211,595,000 Offer Shares, representing approximately 30% (in the case of (a)), 40% (in the case of (b)) and 50% (in the case of (c)), respectively, of the total number of Offer Shares initially available under the Global Offering (before any exercise of the Over-Allotment Option). In such cases, the number of Offer Shares allocated to the International Placing will be correspondingly reduced, in such manner as the Joint Global Coordinators deem appropriate, and such additional Offer Shares will be allocated to Pool A and Pool B.

The Offer Shares to be offered in the Hong Kong Public Offering and the International Placing may, in certain circumstances, be reallocated as between these offerings at the discretion of the Joint Global Coordinators. Subject to the foregoing paragraph, the Joint Global Coordinators may, in their discretion, reallocate International Placing Shares from the International Placing to the Hong Kong Public Offering to satisfy valid applications under the Hong Kong Public Offering. If the Hong Kong Offer Shares are not fully subscribed for, the Joint Global Coordinators have authority to reallocate all or any unsubscribed Hong Kong Offer Shares to the International Placing, in such proportions as the Joint Global Coordinators deem appropriate.

Applications

The Joint Global Coordinators (on behalf of the Underwriters) may require any investor who has been offered Offer Shares under the International Placing, and who has made an application under the Hong Kong Public Offering, to provide sufficient information to the Joint Global Coordinators so as to allow them to identify the relevant applications under the Hong Kong Public Offering and to ensure that it is excluded from any application for Hong Kong Offer Shares under the Hong Kong Public Offering.

Each applicant under the Hong Kong Public Offering will also be required to give an undertaking and confirmation in the application submitted by him that he and any person for whose benefit he is making the application have not applied for or taken up, or indicated an interest for, and will not apply for or take up, or indicate an interest for, any International

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Placing Shares under the International Placing, and such applicant's application is liable to be rejected if the undertaking and/or confirmation is breached or untrue (as the case may be) or such applicant has been or will be placed or allocated International Placing Shares under the International Placing.

Applicants under the Hong Kong Public Offering are required to pay, on application, the maximum Offer Price of HK\$10.00 per Offer Share plus brokerage of 1.0%, SFC transaction levy of 0.0027% and Stock Exchange trading fee of 0.005%. If the Offer Price, as finally determined on the Price Determination Date, is lower than HK\$10.00, being the maximum Offer Price, we will refund the difference (together with brokerage, the SFC transaction levy and the Stock Exchange trading fee attributable to the surplus application monies) to successful applicants, without interest. Further details are set out in the section headed "How to Apply for the Hong Kong Offer Shares" in this prospectus.

INTERNATIONAL PLACING

Number of Offer Shares offered

The number of Offer Shares to be initially offered for subscription under the International Placing will be 380,870,500 Offer Shares (subject to adjustment and the Over-Allotment Option), representing approximately 90% of the Offer Shares under the Global Offering and approximately 22.5% of our enlarged issued share capital immediately after the Global Offering, assuming that the Over-Allotment Option is not exercised. The International Placing is subject to the Hong Kong Public Offering becoming unconditional.

Allocation

Under the International Placing, the International Underwriters will conditionally place our Offer Shares in the United States with QIBs as defined in Rule 144A, as well as with professional, institutional and corporate investors and other investors whom we anticipate will have a sizeable demand for our Offer Shares in Hong Kong and other jurisdictions outside the United States in reliance on Regulation S. Allocation of International Placing Shares under the International Placing will be effected in accordance with the book-building process described in the section headed "—Pricing and Allocation" above and based on a number of factors, including the level and timing of demand, total size of the relevant investor's invested assets or equity assets in the relevant sector and whether or not it is expected that the relevant investor is likely to buy further Offer Shares and/or hold or sell its Offer Shares after the Listing. Such allocation is intended to result in a distribution of the Offer Shares on a basis which would lead to the establishment of a solid professional and institutional Shareholder base for the benefit of our Company and our Shareholders as a whole.

APPLICATION FOR LISTING ON THE STOCK EXCHANGE

We have applied to the Listing Committee for the listing of, and permission to deal in, the Shares in issue and the Offer Shares being offered under the Global Offering (including the additional Offer Shares which may be made available following the exercise of the Over-Allotment Option).

STRUCTURE OF THE GLOBAL OFFERING

Save as disclosed in this prospectus, none of our Shares is listed on or dealt in on any other stock exchange and no such listing or permission to list is being or proposed to be sought in the near future.

OVER-ALLOTMENT OPTION

It is expected that we will grant the Over-Allotment Option to the International Underwriters, exercisable by the Joint Global Coordinators on behalf of the International Underwriters at any time within 30 days from the last date for lodging applications under the Hong Kong Public Offering. Under the Over-Allotment Option, the Stabilizing Manager will have the right to require us to allot and issue up to 63,478,000 additional Shares, representing an aggregate of approximately 15% of the Offer Shares initially available under the Global Offering to, among other things (such as effecting the permitted stabilizing actions as described in the section headed “—Stabilization” below), cover over-allocations in the International Placing, if any. If the Over-Allotment Option is exercised in full, the additional Offer Shares will represent approximately 3.75% of our enlarged issued share capital following the completion of the Global Offering and the exercise of the Over-Allotment Option. These Offer Shares will be issued at the Offer Price. An announcement will be made if the Over-Allotment Option is exercised.

STOCK BORROWING ARRANGEMENT

To facilitate the settlement of over-allocations in connection with the Global Offering, the Stabilizing Manager may choose to borrow, whether on its own or through its affiliates, up to 8,463,800 Shares, representing approximately 15.0% of the Offer Shares (being the maximum number of Offer Shares which may be issued or sold upon exercise of the Over-Allotment Option), from CITIC Capital Leasing to cover over-allocation through the stock borrowing arrangements under the Stock Borrowing Agreement, or acquire Shares from other sources, including by exercising the Over-Allotment Option.

If such stock borrowing arrangement with CITIC Capital Leasing is entered into, it will only be effected by the Stabilizing Manager or its agent for settlement of over-allocation in the International Placing and such arrangement is not subject to the restrictions of Rule 10.07(1)(a) of the Listing Rules provided that the requirements set out in Rule 10.07(3) of the Listing Rules are complied with. Such stock borrowing arrangement is fully described in this prospectus and must be for the sole purpose of covering any short position prior to the exercise of the Over-Allotment Option. The maximum number of Shares to be borrowed from CITIC Capital Leasing by the Stabilizing Manager or its affiliates is the maximum number of Shares that may be issued or sold upon full exercise of the Over-Allotment Option. The same number of Offer Shares so borrowed must be returned to CITIC Capital Leasing or its nominees on or before the third Business Day following the earlier of (a) the last day on which the Over-Allotment Option may be exercised, or (b) the day on which the Over-Allotment Option is exercised in full and the relevant Offer Shares subject to the Over-Allotment Option

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having been issued or transferred. The stock borrowing arrangement will be effected in compliance with all applicable laws, rules and regulatory requirements. No payment will be made to CITIC Capital Leasing by the Stabilizing Manager or its agent in relation to such stock borrowing arrangement.

STABILIZATION

Stabilization is a practice used by underwriters in some markets to facilitate the distribution of securities. To stabilize, the underwriters may bid for, or purchase, the securities in the secondary market, during a specified period of time, to retard and, if possible, prevent, any decline in the market price of the securities below the offer price. Such transactions may be effected in all jurisdictions where it is permissible to do so, in each case in compliance with all applicable laws and regulatory requirements, including those of Hong Kong. In Hong Kong and certain other jurisdictions, the price at which stabilization is effected is not permitted to exceed the Offer Price.

In connection with the Global Offering, Goldman Sachs (Asia) L.L.C., as Stabilizing Manager, its affiliates or any person acting for it, on behalf of the Underwriters, may over-allocate Shares or effect short sales or any other stabilizing transactions with a view to stabilizing or maintaining the market price of our Shares at a level higher than that which might otherwise prevail in the open market. Short sales involve the sale by the Stabilizing Manager of a greater number of Shares than the Underwriters are required to purchase in the Global Offering. "Covered" short sales are sales made in an amount not greater than the Over-Allotment Option.

The Stabilizing Manager may close out any covered short position by either exercising the Over-Allotment Option to purchase additional Shares or purchasing Shares in the open market. In determining the source of the Shares to close out the covered short position, the Stabilizing Manager will consider, among other things, the price of Shares in the open market as compared to the price at which they may purchase additional Shares pursuant to the Over-Allotment Option. Stabilizing transactions consist of certain bids or purchases made for the purpose of preventing or retarding a decline in the market price of the Shares while the Global Offering is in progress. Any market purchases of our Shares may be effected on any stock exchange, including the Stock Exchange, any over-the-counter market or otherwise, provided that they are made in compliance with all applicable laws and regulatory requirements. However, there is no obligation on the Stabilizing Manager, its affiliates or any person acting for it to conduct any such stabilizing activity, which if commenced, will be done at the absolute discretion of the Stabilizing Manager and may be discontinued at any time. Any such stabilizing activity is required to be brought to an end within 30 days of the last day for lodging applications under the Hong Kong Public Offering. The number of our Shares that may be over-allocated will not exceed the number of our Shares that may be issued under the Over-Allotment Option, namely, 63,478,000 Shares, which is approximately 15.0% of the number of Offer Shares initially available under the Global Offering, in the event that the whole or part of the Over-Allotment Option is exercised.

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The Stabilizing Manager, its affiliates or any person acting for it, may take all or any of the following stabilizing actions in Hong Kong during the stabilization period:

- (i) purchase, or agree to purchase, any of the Shares or offer or attempt to do so for the sole purpose of preventing or minimizing any reduction in the market price of the Shares;
- (ii) in connection with any action described in paragraph (i) above:
 - (A) (1) over-allocate the Shares; or
 - (2) sell or agree to sell the Shares so as to establish a short position in them, for the sole purpose of preventing or minimizing any reduction in the market price of the Shares;
 - (B) exercise the Over-Allotment Option and purchase or subscribe for or agree to purchase or subscribe for the Shares in order to close out any position established under paragraph (A) above;
 - (C) sell or agree to sell any of the Shares acquired by it in the course of the stabilizing action referred to in paragraph (i) above in order to liquidate any position that has been established by such action; or
 - (D) offer or attempt to do anything as described in paragraph (ii)(A)(2), (ii)(B) or (ii)(C) above.

The Stabilizing Manager, its affiliates or any person acting for it, may, in connection with the stabilizing action, maintain a long position in the Shares, and there is no certainty as to the extent to which and the time period for which it will maintain such a position. Investors should be warned of the possible impact of any liquidation of the long position by the Stabilizing Manager, its affiliates or any person acting for it, which may include a decline in the market price of the Shares.

Stabilization cannot be used to support the price of the Shares for longer than the stabilization period, which begins on the Listing Date and ends on the 30th day after the last day for lodging applications under the Hong Kong Public Offering. The stabilizing period is expected to end on Wednesday, July 29, 2015, after which an announcement will be made pursuant to section 9 and schedule 3 of the Securities and Futures (Price Stabilization) Rules made under the SFO. After this date, no further stabilizing action may be taken. Demand for the Shares, and therefore the market price, could fall.

Any stabilizing action taken by the Stabilizing Manager, its affiliates or any person acting for it, may not necessarily result in the market price of our Shares staying at or above the Offer Price either during or after the stabilizing period. Stabilizing bids for or market purchases of our Shares by the Stabilizing Manager, or any person acting for it, may be made at a price at the Offer Price.

STRUCTURE OF THE GLOBAL OFFERING

DEALING ARRANGEMENTS

Assuming that the Hong Kong Public Offering becomes unconditional at or before 8:00 a.m. in Hong Kong on Wednesday, July 8, 2015, it is expected that dealings in the Shares on the Stock Exchange will commence at 9:00 a.m. on Wednesday, July 8, 2015.

The Shares will be traded in board lots of 500 Shares each.

UNDERWRITING ARRANGEMENTS

The Hong Kong Public Offering is fully underwritten by the Hong Kong Underwriters under the terms of the Hong Kong Underwriting Agreement, subject to, among other conditions, agreement on the Offer Price between the Joint Global Coordinators (on behalf of the Underwriters) and us on the Price Determination Date.

We expect that, on or about Tuesday, June 30, 2015, and shortly after determination of the Offer Price, we and the Joint Global Coordinators (on behalf of the Underwriters) will enter into the International Underwriting Agreement relating to the International Placing.

The terms of the underwriting arrangements, the Hong Kong Underwriting Agreement and the International Underwriting Agreement are summarized in the section headed “Underwriting” in this prospectus.

HOW TO APPLY FOR THE HONG KONG OFFER SHARES

1. HOW TO APPLY

If you apply for Hong Kong Offer Shares, then you may not apply for or indicate an interest for International Placing Shares.

To apply for Hong Kong Offer Shares, you may:

- use a WHITE or YELLOW Application Form;
- apply online via the White Form eIPO service at www.eipo.com.hk; or
- electronically cause HKSCC Nominees to apply on your behalf.

None of you or your joint applicant(s) may make more than one application, except where you are a nominee and provide the required information in your application.

Our Company, the Joint Global Coordinators, the White Form eIPO Service Provider and their respective agents may reject or accept any application in full or in part for any reason at their discretion.

2. WHO CAN APPLY

You can apply for Hong Kong Offer Shares on a WHITE or YELLOW Application Form if you or the person(s) for whose benefit you are applying:

- are 18 years of age or older;
- have a Hong Kong address;
- are outside the United States, and are not a United States Person (as defined in Regulation S under the U.S. Securities Act); and
- are not a legal or natural person of China.

If you apply online through the White Form eIPO service, in addition to the above, you must also: (i) have a valid Hong Kong identity card number and (ii) provide a valid e-mail address and a contact telephone number.

If you are a firm, the application must be in the individual members' names. If you are a body corporate, the application form must be signed by a duly authorized officer, who must state his representative capacity, and stamped with your corporation's chop.

If an application is made by a person under a power of attorney, the Joint Global Coordinators may accept it at their discretion and on any conditions they think fit, including evidence of the attorney's authority.

HOW TO APPLY FOR THE HONG KONG OFFER SHARES

The number of joint applicants may not exceed four and they may not apply by means of White Form eIPO service for the Hong Kong Offer Shares.

Unless permitted by the Listing Rules, you cannot apply for any Hong Kong Offer Shares if you are:

- an existing beneficial owner of Shares in our Company and/or any its subsidiaries;
- a Director or chief executive officer of our Company and/or any of its subsidiaries;
- a close associate of any of the above;
- a core connected person of our Company or will become a core connected person of our Company immediately upon completion of the Global Offering; or
- have been allocated or have applied for any International Placing Shares or otherwise participate in the International Placing.

3. APPLYING FOR HONG KONG OFFER SHARES

Which Application Channel to Use

For Hong Kong Offer Shares to be issued in your own name, use a WHITE Application Form or apply online through www.eipo.com.hk.

For Hong Kong Offer Shares to be issued in the name of HKSCC Nominees and deposited directly into CCASS to be credited to your or a designated CCASS Participant's stock account, use a YELLOW Application Form or electronically instruct HKSCC via CCASS to cause HKSCC Nominees to apply for you.

Where to Collect the Application Forms

You can collect a WHITE Application Form and a prospectus during normal business hours from 9:00 a.m. on Wednesday, June 24, 2015 until 12:00 noon on Monday, June 29, 2015 from:

- (i) any of the following offices of the Hong Kong Underwriters:

**Goldman Sachs
(Asia) L.L.C.**

68/F., Cheung Kong Center
2 Queen's Road Central
Hong Kong

**Nomura
International
(Hong Kong)
Limited**

30/F, Two International Finance Centre
8 Finance Street
Central
Hong Kong

HOW TO APPLY FOR THE HONG KONG OFFER SHARES

ICBC International Securities Limited	37/F, ICBC Tower 3 Garden Road Hong Kong
CCB International Capital Limited	12/F, CCB Tower 3 Connaught Road Central Central Hong Kong
CLSA Limited	18/F One Pacific Place 88 Queensway Hong Kong
VMS Securities Limited	Suites 4112 — 4119 41/F, Jardine House 1 Connaught Place Central Hong Kong
China Merchants Securities (HK) Co., Limited	48/F One Exchange Square Central Hong Kong

(ii) any of the following branches/sub-branches of the receiving bankers:

(a) Bank of China (Hong Kong) Limited

District	Branch name	Branch address
Hong Kong Island	Bank of China Tower Branch	3/F, 1 Garden Road
	King's Road Branch	131-133 King's Road, North Point
	Taikoo Shing Branch	Shop G1006, Hoi Sing Mansion, Taikoo Shing
	Aberdeen Branch	25 Wu Pak Street, Aberdeen
Kowloon	Shanghai Street (Mong Kok) Branch	611-617 Shanghai Street, Mong Kok
	Kwai Chung Plaza Branch	A18-20, G/F Kwai Chung Plaza, 7-11 Kwai Foo Road, Kwai Chung
	Mei Foo Mount Sterling Mall Branch	Shop N47-49 Mount Sterling Mall, Mei Foo Sun Chuen
	194 Cheung Sha Wan Road Branch	194-196 Cheung Sha Wan Road, Sham Shui Po, Kowloon
New Territories	East Point City Branch	Shop 101, East Point City, Tseung Kwan O
	Sheung Shui Branch Securities Services Centre	136 San Fung Avenue, Sheung Shui

HOW TO APPLY FOR THE HONG KONG OFFER SHARES

(b) Wing Lung Bank Limited

District	Branch name	Branch address
Hong Kong Island	Head Office	45 Des Voeux Road Central
	Aberdeen Branch	201 Aberdeen Main Road
Kowloon	Mongkok Branch	B/F Wing Lung Bank Centre, 636 Nathan Road
	Tsim Sha Tsui Branch	4 Carnarvon Road
New Territories	Shatin Plaza Branch	21 Shatin Centre Street
	Yuen Long Branch	37 On Ning Road

(c) Bank of Communications Co., Ltd. Hong Kong Branch

District	Branch/Sub-Branch Name	Address
Hong Kong Island	Hong Kong Branch	20 Pedder Street, Central
	Chai Wan Sub-Branch	G/F., 121-121A Wan Tsui Road, Chai Wan
Kowloon	Kowloon Sub-Branch	G/F., 563 Nathan Road
	Kwun Tong Sub-Branch	Shop A, G/F., Hong Ning Court, 55 Hong Ning Road, Kwun Tong
New Territories	Tseung Kwan O Sub-Branch	Shop 253-255, Metro City Shopping Arcade, Phase I, Tseung Kwan O
	Market Street Sub-Branch	G/F., 53 Market Street, Tsuen Wan

You can collect a YELLOW Application Form and a copy of this prospectus during normal business hours from 9:00 a.m. on Wednesday, June 24, 2015 until 12:00 noon on Monday, June 29, 2015 from the Depository Counter of HKSCC at 1/F, One & Two Exchange Square, 8 Connaught Place, Central, Hong Kong or from your stockbroker.

Time for Lodging Application Forms

Your completed WHITE or YELLOW Application Form, together with a cheque or a banker's cashier order attached and marked payable to "Bank of China (Hong Kong) Nominees Limited - Universal Medical Public Offer" for the payment, should be deposited in the special collection boxes provided at any of the branches/sub-branches of the receiving bankers listed above, at the following times:

- Wednesday, June 24, 2015 — 9:00 a.m. to 5:00 p.m.
- Thursday, June 25, 2015 — 9:00 a.m. to 5:00 p.m.
- Friday, June 26, 2015 — 9:00 a.m. to 5:00 p.m.
- Saturday, June 27, 2015 — 9:00 a.m. to 1:00 p.m.
- Monday, June 29, 2015 — 9:00 a.m. to 12:00 noon

HOW TO APPLY FOR THE HONG KONG OFFER SHARES

The application lists will be open from 11:45 a.m. to 12:00 on Monday, June 29, 2015, the last application day or such later time as described in “—10. Effect of Bad Weather on the Opening of the Applications Lists” in this section.

4. TERMS AND CONDITIONS OF AN APPLICATION

Follow the detailed instructions in the Application Form carefully; otherwise, your application may be rejected.

By submitting an Application Form or applying through the White Form eIPO service, among other things, you:

- (i) undertake to execute all relevant documents and instruct and authorize our Company and/or the Joint Global Coordinators (or their agents or nominees), as agents of our Company, to execute any documents for you and to do on your behalf all things necessary to register any Hong Kong Offer Shares allocated to you in your name or in the name of HKSCC Nominees as required by the Articles;
- (ii) agree to comply with the Companies Ordinance, the COWUMPO and the Articles;
- (iii) confirm that you have read the terms and conditions and application procedures set out in this prospectus and in the Application Form and agree to be bound by them;
- (iv) confirm that you have received and read this prospectus and have only relied on the information and representations contained in this prospectus in making your application and will not rely on any other information or representations except those in any supplement to this prospectus;
- (v) confirm that you are aware of the restrictions on the Global Offering in this prospectus;
- (vi) agree that none of our Company, the Joint Global Coordinators, the Joint Sponsors, the Joint Bookrunners, the Joint Lead Managers, the Underwriters, their respective directors, officers, employees, partners, agents, advisors and any other parties involved in the Global Offering is or will be liable for any information and representations not in this prospectus (and any supplement to it);
- (vii) undertake and confirm that you or the person(s) for whose benefit you have made the application have not applied for or taken up, or indicated an interest for, and will not apply for or take up, or indicate an interest for, any Offer Shares under the International Placing nor participated in the International Placing;

HOW TO APPLY FOR THE HONG KONG OFFER SHARES

- (viii) agree to disclose to our Company, the Share Registrar, receiving bankers, the Joint Global Coordinators, the Joint Sponsors, the Joint Bookrunners, the Joint Lead Managers, the Underwriters and/or their respective advisors and agents any personal data which they may require about you and the person(s) for whose benefit you have made the application;
- (ix) if the laws of any place outside Hong Kong apply to your application, agree and warrant that you have complied with all such laws and none of our Company, the Joint Global Coordinators, the Joint Sponsors, the Joint Bookrunners, the Joint Lead Managers and the Underwriters nor any of their respective officers or advisors will breach any law outside Hong Kong as a result of the acceptance of your offer to purchase, or any action arising from your rights and obligations under the terms and conditions contained in this prospectus and the Application Form;
- (x) agree that once your application has been accepted, you may not rescind it because of an innocent misrepresentation;
- (xi) agree that your application will be governed by the laws of Hong Kong;
- (xii) represent, warrant and undertake that (a) you understand that the Hong Kong Offer Shares have not been and will not be registered under the U.S. Securities Act and, prior to the expiration of the period of 40 days after the commencement of the International Placing, may not be offered, resold, pledged or transferred within the United States except in certain transactions in accordance with Rule 144A; (b) you and any person for whose benefit you are applying for the Hong Kong Offer Shares are outside the United States (as defined in Regulation S) or are a person described in paragraph (h) (3) of Rule 902 of Regulation S; and (c) the purchaser is not an “affiliate” (within the meaning of Regulation S) of our Company or a person acting on the behalf of our Company or an affiliate thereof;
- (xiii) warrant that the information you have provided is true and accurate;
- (xiv) agree to accept the Hong Kong Offer Shares applied for, or any lesser number allocated to you under the application;
- (xv) authorize our Company to place your name(s) or the name of the HKSCC Nominees, on our Company’s register of members as the holder(s) of any Hong Kong Offer Shares allocated to you, and our Company and/or our agents to deposit any share certificate(s) into CCASS and to send any refund cheque(s) to you or the first-named applicant for joint application by ordinary post at your own risk to the address stated on the application, unless you have chosen to collect refund cheque(s) in person;
- (xvi) declare and represent that this is the only application made and the only application intended by you to be made to benefit you or the person for whose benefit you are applying;

HOW TO APPLY FOR THE HONG KONG OFFER SHARES

- (xvii) understand that our Company and the Joint Global Coordinators will rely on your declarations and representations in deciding whether or not to make any allotment of any of the Hong Kong Offer Shares to you and that you may be prosecuted for making a false declaration;
- (xviii) (if the application is made for your own benefit) warrant that no other application has been or will be made for your benefit on a WHITE or YELLOW Application Form or by giving electronic application instructions to HKSCC or to the White Form eIPO Service Provider by you or by any one as your agent or by any other person; and
- (xix) (if you are making the application as an agent for the benefit of another person) warrant that (a) no other application has been or will be made by you as agent for or for the benefit of that person or by that person or by any other person as agent for that person on a WHITE or YELLOW Application Form or by giving electronic application instructions to HKSCC; and (b) you have due authority to sign the Application Form or give electronic application instructions on behalf of that other person as their agent.

Additional Instructions for YELLOW Application Form

You may refer to the YELLOW Application Form for details.

5. APPLYING THROUGH WHITE FORM eIPO SERVICE

General

Individuals who meet the criteria as described in “—2. Who can apply” in this section, may apply through the White Form eIPO service for the Offer Shares to be allotted and registered in their own names through the designated website at www.eipo.com.hk.

Detailed instructions for application through the White Form eIPO service are on the designated website. If you do not follow the instructions, your application may be rejected and may not be submitted to our Company. If you apply through the designated website, you authorize the White Form eIPO Service Provider to apply on the terms and conditions in this prospectus, as supplemented and amended by the terms and conditions of the White Form eIPO service.

Time for Submitting Applications under the White Form eIPO Service

You may submit your application to the White Form eIPO Service Provider at www.eipo.com.hk from 9:00 a.m. on Wednesday, June 24, 2015 until 11:30 a.m. on Monday, June 29, 2015 (24 hours daily, except on the last application day) and the latest time for completing full payment of application monies in respect of such applications will be 12:00 noon on Monday, June 29, 2015 or such later time specified under “—10. Effects of Bad Weather on the Opening of the Applications Lists” in this section.

HOW TO APPLY FOR THE HONG KONG OFFER SHARES

No Multiple Applications

If you apply by means of White Form eIPO service, once you complete payment in respect of any electronic application instruction given by you or for your benefit through the White Form eIPO service to make an application for Hong Kong Offer Shares, an actual application shall be deemed to have been made. For the avoidance of doubt, giving an electronic application instruction under White Form eIPO service more than once and obtaining different application reference numbers without effecting full payment in respect of a particular reference number will not constitute an actual application.

If you are suspected of submitting more than one application through the White Form eIPO service or by any other means, all of your applications are liable to be rejected.

Section 40 of the COWUMPO

For the avoidance of doubt, our Company and all other parties involved in the preparation of this prospectus acknowledge that each applicant who gives or causes to give electronic application instructions is a person who may be entitled to compensation under Section 40 of the COWUMPO.

Environmental Protection

The obvious advantage of White Form eIPO is to save the use of papers via the self-serviced and electronic application process. Computershare Hong Kong Investor Services Limited, being the designated White Form eIPO Service Provider, will contribute HK\$2.00 for each “Universal Medical Financial & Technical Advisory Services Company Limited” White Form eIPO application submitted via www.eipo.com.hk to support the funding of “Source of Dong Jiang—Hong Kong Forest” project initiated by Friends of the Earth (HK).

6. APPLYING BY GIVING ELECTRONIC APPLICATION INSTRUCTIONS TO HKSCC VIA CCASS

General

CCASS Participants may give electronic application instructions to apply for Hong Kong Offer Shares and to arrange payment of the money due on application and payment of refunds under their participant agreements with HKSCC and the General Rules of CCASS and the CCASS Operational Procedures.

If you are a CCASS Investor Participant, you may give these electronic application instructions through the CCASS Phone System by calling 2979 7888 or through the CCASS Internet System <https://ip.ccass.com> (using the procedures in HKSCC’s “An Operating Guide for Investor Participants” in effect from time to time).

HOW TO APPLY FOR THE HONG KONG OFFER SHARES

HKSCC can also input electronic application instructions for you if you go to:

Hong Kong Securities Clearing Company Limited
Customer Service Centre
1/F, One & Two Exchange Square
8 Connaught Place, Central
Hong Kong

and complete an input request form.

You can also collect a prospectus from this address.

If you are not a CCASS Investor Participant, you may instruct your broker or custodian who is a CCASS Clearing Participant or a CCASS Custodian Participant to give electronic application instructions via CCASS terminals to apply for the Hong Kong Offer Shares on your behalf.

You will be deemed to have authorized HKSCC and/or HKSCC Nominees to transfer the details of your application to our Company, the Joint Global Coordinators and our Share Registrar.

Giving Electronic Application Instructions to HKSCC via CCASS

Where you have given electronic application instructions to apply for the Hong Kong Offer Shares and a WHITE Application Form is signed by HKSCC Nominees on your behalf:

- (i) HKSCC Nominees will only be acting as a nominee for you and is not liable for any breach of the terms and conditions of the WHITE Application Form or this prospectus;
- (ii) HKSCC Nominees will do the following things on your behalf:
 - agree that the Hong Kong Offer Shares to be allotted shall be issued in the name of HKSCC Nominees and deposited directly into CCASS for the credit of the CCASS Participant's stock account on your behalf or your CCASS Investor Participant's stock account;
 - agree to accept the Hong Kong Offer Shares applied for or any lesser number allocated;
 - undertake and confirm that you have not applied for or taken up, will not apply for or take up, or indicate an interest for, any Offer Shares under the International Placing;

HOW TO APPLY FOR THE HONG KONG OFFER SHARES

- (if the electronic application instructions are given for your benefit) declare that only one set of electronic application instructions has been given for your benefit;
- (if you are an agent for another person) declare that you have only given one set of electronic application instructions for the other person's benefit and are duly authorized to give those instructions as their agent;
- confirm that you understand that our Company, the Directors and the Joint Global Coordinators will rely on your declarations and representations in deciding whether or not to make any allotment of any of the Hong Kong Offer Shares to you and that you may be prosecuted if you make a false declaration;
- authorize our Company to place HKSCC Nominees' name on our Company's register of members as the holder of the Hong Kong Offer Shares allocated to you and to send share certificate(s) and/or refund monies under the arrangements separately agreed between us and HKSCC;
- confirm that you have read the terms and conditions and application procedures set out in this prospectus and agree to be bound by them;
- confirm that you have received and/or read a copy of this prospectus and have relied only on the information and representations in this prospectus in causing the application to be made, save as set out in any supplement to this prospectus;
- agree that none of our Company, the Joint Global Coordinators, the Joint Sponsors, the Joint Bookrunners, the Joint Lead Managers, the Underwriters, their respective directors, officers, employees, partners, agents, advisors and any other parties involved in the Global Offering, is or will be liable for any information and representations not contained in this prospectus (and any supplement to it);
- agree to disclose your personal data to our Company, our Share Registrar, receiving bankers, the Joint Global Coordinators, the Joint Sponsors, the Joint Bookrunners, the Joint Lead Managers, the Underwriters and/or its respective advisors and agents;
- agree (without prejudice to any other rights which you may have) that once HKSCC Nominees' application has been accepted, it cannot be rescinded for innocent misrepresentation;
- agree that any application made by HKSCC Nominees on your behalf is irrevocable before the fifth day after the time of the opening of the application lists (excluding any day which is Saturday, Sunday or public holiday in Hong Kong), such agreement to take effect as a collateral contract with us and to

HOW TO APPLY FOR THE HONG KONG OFFER SHARES

become binding when you give the instructions and such collateral contract to be in consideration of our Company agreeing that it will not offer any Hong Kong Offer Shares to any person before the fifth day after the time of the opening of the application lists (excluding any day which is Saturday, Sunday or public holiday in Hong Kong), except by means of one of the procedures referred to in this prospectus. However, HKSCC Nominees may revoke the application before the fifth day after the time of the opening of the application lists (excluding for this purpose any day which is a Saturday, Sunday or public holiday in Hong Kong) if a person responsible for this prospectus under Section 40 of the COWUMPO gives a public notice under that section which excludes or limits that person's responsibility for this prospectus;

- agree that once HKSCC Nominees' application is accepted, neither that application nor your electronic application instructions can be revoked, and that acceptance of that application will be evidenced by our Company's announcement of the Hong Kong Public Offering results;
- agree to the arrangements, undertakings and warranties under the participant agreement between you and HKSCC, read with the General Rules of CCASS and the CCASS Operational Procedures, for the giving electronic application instructions to apply for Hong Kong Offer Shares;
- agree with our Company, for itself and for the benefit of each Shareholder (and so that our Company will be deemed by its acceptance in whole or in part of the application by HKSCC Nominees to have agreed, for itself and on behalf of each of the Shareholders, with each CCASS Participant giving electronic application instructions) to observe and comply with the Companies Ordinance, the COWUMPO and the Articles; and
- agree that your application, any acceptance of it and the resulting contract will be governed by the Laws of Hong Kong.

Effect of Giving Electronic Application Instructions to HKSCC via CCASS

By giving electronic application instructions to HKSCC or instructing your broker or custodian who is a CCASS Clearing Participant or a CCASS Custodian Participant to give such instructions to HKSCC, you (and, if you are joint applicants, each of you jointly and severally) are deemed to have done the following things. Neither HKSCC nor HKSCC Nominees shall be liable to our Company or any other person in respect of the things mentioned below:

- instructed and authorized HKSCC to cause HKSCC Nominees (acting as nominee for the relevant CCASS Participants) to apply for the Hong Kong Offer Shares on your behalf;

HOW TO APPLY FOR THE HONG KONG OFFER SHARES

- instructed and authorized HKSCC to arrange payment of the maximum Offer Price, brokerage, SFC transaction levy and the Stock Exchange trading fee by debiting your designated bank account and, in the case of a wholly or partially unsuccessful application and/or if the Offer Price is less than the maximum Offer Price per Offer Share initially paid on application, refund of the application monies (including brokerage, SFC transaction levy and the Stock Exchange trading fee) by crediting your designated bank account; and
- instructed and authorized HKSCC to cause HKSCC Nominees to do on your behalf all the things stated in the WHITE Application Form and in this prospectus.

Minimum Purchase Amount and Permitted Numbers

You may give or cause your broker or custodian who is a CCASS Clearing Participant or a CCASS Custodian Participant to give electronic application instructions for a minimum of 500 Hong Kong Offer Shares. Instructions for more than 500 Hong Kong Offer Shares must be in one of the numbers set out in the table in the Application Forms. No application for any other number of Hong Kong Offer Shares will be considered and any such application is liable to be rejected.

Time for Inputting Electronic Application Instructions

CCASS Clearing/Custodian Participants can input electronic application instructions at the following times on the following dates:

- Wednesday, June 24, 2015 — 9:00 a.m. to 8:30 p.m.⁽¹⁾
- Thursday, June 25, 2015 — 8:00 a.m. to 8:30 p.m.⁽¹⁾
- Friday, June 26, 2015 — 8:00 a.m. to 8:30 p.m.⁽¹⁾
- Saturday, June 27, 2015 — 8:00 a.m. to 1:00 p.m.⁽¹⁾
- Monday, June 29, 2015 — 8:00 a.m.⁽¹⁾ to 12:00 noon

(1) These times are subject to change as HKSCC may determine from time to time with prior notification to CCASS Clearing/Custodian Participants.

CCASS Investor Participants can input electronic application instructions from 9:00 a.m. on Wednesday, June 24, 2015 until 12:00 noon on Monday, June 29, 2015 (24 hours daily, except on the last application day).

The latest time for inputting your electronic application instructions will be 12:00 noon on Monday, June 29, 2015, the last application day or such later time as described in “—10. Effect of Bad Weather on the Opening of the Application Lists” in this section.

HOW TO APPLY FOR THE HONG KONG OFFER SHARES

No Multiple Applications

If you are suspected of having made multiple applications or if more than one application is made for your benefit, the number of Hong Kong Offer Shares applied for by HKSCC Nominees will be automatically reduced by the number of Hong Kong Offer Shares for which you have given such instructions and/or for which such instructions have been given for your benefit. Any electronic application instructions to make an application for the Hong Kong Offer Shares given by you or for your benefit to HKSCC shall be deemed to be an actual application for the purposes of considering whether multiple applications have been made.

Section 40 of the COWUMPO

For the avoidance of doubt, our Company and all other parties involved in the preparation of this prospectus acknowledge that each CCASS Participant who gives or causes to give electronic application instructions is a person who may be entitled to compensation under Section 40 of the COWUMPO.

Personal Data

The section of the Application Form headed “Personal Data” applies to any personal data held by our Company, the Share Registrar, the receiving bankers, the Joint Global Coordinators, the Joint Sponsors, the Joint Bookrunners, the Joint Lead Managers, the Underwriters and any of their respective advisors and agents about you in the same way as it applies to personal data about applicants other than HKSCC Nominees.

7. WARNING FOR ELECTRONIC APPLICATIONS

The subscription of the Hong Kong Offer Shares by giving electronic application instructions to HKSCC is only a facility provided to CCASS Participants. Similarly, the application for Hong Kong Offer Shares through the White Form eIPO service is also only a facility provided by the White Form eIPO Service Provider to public investors. Such facilities are subject to capacity limitations and potential service interruptions and you are advised not to wait until the last application day in making your electronic applications. Our Company, our Directors, the Joint Sponsors, the Joint Global Coordinators, the Joint Bookrunners, the Joint Lead Managers and the Underwriters take no responsibility for such applications and provide no assurance that any CCASS Participant or person applying through the White Form eIPO service will be allotted any Hong Kong Offer Shares.

To ensure that CCASS Investor Participants can give their electronic application instructions, they are advised not to wait until the last minute to input their instructions to the systems. If CCASS Investor Participants have problems in the connection to CCASS Phone System/CCASS Internet System for submission of electronic application instructions, they should either (i) submit a WHITE or YELLOW Application Form, or (ii) go to HKSCC’s Customer Service Centre to complete an input request form for electronic application instructions before 12:00 noon on Monday, June 29, 2015.

HOW TO APPLY FOR THE HONG KONG OFFER SHARES

8. HOW MANY APPLICATIONS CAN YOU MAKE

Multiple applications for the Hong Kong Offer Shares are not allowed except by nominees. If you are a nominee, in the box on the Application Form marked “For nominees” you must include:

- an account number; or
- some other identification code,

for each beneficial owner or, in the case of joint beneficial owners, for each joint beneficial owner. If you do not include this information, the application will be treated as being made for your benefit.

All of your applications will be rejected if more than one application on a WHITE or YELLOW Application Form or by giving electronic application instructions to HKSCC or through White Form eIPO service is made for your benefit (including the part of the application made by HKSCC Nominees acting on electronic application instructions). If an application is made by an unlisted company and:

- the principal business of that company is dealing in securities; and
- you exercise statutory control over that company, then the application will be treated as being for your benefit.

“Unlisted company” means a company with no equity securities listed on the Stock Exchange. “Statutory control” means you:

- control the composition of the board of directors of the company;
- control more than half of the voting power of the company; or
- hold more than half of the issued share capital of the company (not counting any part of it which carries no right to participate beyond a specified amount in a distribution of either profits or capital).

9. HOW MUCH ARE THE HONG KONG OFFER SHARES

The WHITE and YELLOW Application Forms have tables showing the exact amount payable for Shares.

You must pay the maximum Offer Price, brokerage, SFC transaction levy and the Stock Exchange trading fee in full upon application for Shares under the terms set out in the Application Forms.

HOW TO APPLY FOR THE HONG KONG OFFER SHARES

You may submit an application using a WHITE or YELLOW Application Form or through the White Form eIPO service in respect of a minimum of 500 Hong Kong Public Offer Shares. Each application or electronic application instruction in respect of more than 500 Hong Kong Public Offer Shares must be in one of the numbers set out in the table in the Application Form, or as otherwise specified on the designated website at www.eipo.com.hk.

If your application is successful, brokerage will be paid to the Exchange Participants, and the SFC transaction levy and the Stock Exchange trading fee are paid to the Stock Exchange (in the case of the SFC transaction levy, collected by the Stock Exchange on behalf of the SFC).

For further details on the Offer Price, see the section headed “Structure of the Global Offering—Pricing and Allocation”.

10. EFFECT OF BAD WEATHER ON THE OPENING OF THE APPLICATION LISTS

The application lists will not open if there is:

- a tropical cyclone warning signal number 8 or above; or
- a “black” rainstorm warning,

in force in Hong Kong at any time between 9:00 a.m. and 12:00 noon on Monday, June 29, 2015. Instead they will open between 11:45 a.m. and 12:00 noon on the next Business Day which does not have either of those warnings in Hong Kong in force at any time between 9:00 am and 12:00 noon.

If the application lists do not open and close on Monday, June 29, 2015 or if there is a tropical cyclone warning signal number 8 or above or a “black” rainstorm warning signal in force in Hong Kong that may affect the dates mentioned in the section headed “Expected Timetable”, an announcement will be made in such event.

11. PUBLICATION OF RESULTS

Our Company expects to announce the final Offer Price, the level of indication of interest in the International Placing, the level of applications in the Hong Kong Public Offering and the basis of allocation of the Hong Kong Offer Shares on Tuesday, July 7, 2015 in the South China Morning Post (in English) and the Hong Kong Economic Times (in Chinese) on our Company’s website at www.universalsm.com and the website of the Stock Exchange at www.hkexnews.hk.

HOW TO APPLY FOR THE HONG KONG OFFER SHARES

The results of allocations and the Hong Kong identity card/passport/Hong Kong business registration numbers of successful applicants under the Hong Kong Public Offering will be available at the times and date and in the manner specified below:

- in the announcement to be posted on our Company's website at www.universalsm.com and the Stock Exchange's website at www.hkexnews.hk by no later than 9:00 a.m., Tuesday, July 7, 2015;
- from the designated results of allocations website at www.iporeresults.com.hk with a "search by ID" function on a 24-hour basis from 8:00 a.m., Tuesday, July 7, 2015 to 12:00, midnight, Monday, July 13, 2015;
- by telephone enquiry line by calling (852) 2862 8669 between 9:00 a.m. and 10:00 p.m. from Tuesday, July 7, 2015 to Friday, July 10, 2015;
- in the special allocation results booklets which will be available for inspection during opening hours from Tuesday, July 7, 2015 to Thursday, July 9, 2015 at all the designated branches and sub-branches of the receiving bankers.

If our Company accepts your offer to subscribe (in whole or in part), which it may do by announcing the basis of allocations and/or making available the results of allocations publicly, there will be a binding contract under which you will be required to purchase the Hong Kong Offer Shares if the conditions of the Global Offering are satisfied and the Global Offering is not otherwise terminated. Further details are contained in the section headed "Structure of the Global Offering" in this prospectus.

You will not be entitled to exercise any remedy of rescission for innocent misrepresentation at any time after acceptance of your application. This does not affect any other right you may have.

12. CIRCUMSTANCES IN WHICH YOU WILL NOT BE ALLOTTED OFFER SHARES

You should note the following situations in which the Hong Kong Offer shares will not be allotted to you:

(i) If your application is revoked:

By completing and submitting an Application Form or giving electronic application instructions to HKSCC or to White Form eIPO Service Provider, you agree that your application or the application made by HKSCC Nominees on your behalf cannot be revoked on or before the fifth day after the time of the opening of the application lists (excluding for this purpose any day which is Saturday, Sunday or public holiday in Hong Kong). This agreement will take effect as a collateral contract with our Company.

HOW TO APPLY FOR THE HONG KONG OFFER SHARES

Your application or the application made by HKSCC Nominees on your behalf may only be revoked on or before such fifth day if a person responsible for this prospectus under Section 40 of the COWUMPO gives a public notice under that section which excludes or limits that person's responsibility for this prospectus.

If any supplement to this prospectus is issued, applicants who have already submitted an application will be notified that they are required to confirm their applications. If applicants have been so notified but have not confirmed their applications in accordance with the procedure to be notified, all unconfirmed applications will be deemed revoked.

If your application or the application made by HKSCC Nominees on your behalf has been accepted, it cannot be revoked. For this purpose, acceptance of applications which are not rejected will be constituted by notification in the press of the results of allocation, and where such basis of allocation is subject to certain conditions or provides for allocation by ballot, such acceptance will be subject to the satisfaction of such conditions or results of the ballot respectively.

(ii) If our Company or its agents exercise their discretion to reject your application:

Our Company, the Joint Global Coordinators, the White Form eIPO Service Provider and their respective agents and nominees have full discretion to reject or accept any application, or to accept only part of any application, without giving any reasons.

(iii) If the allotment of Hong Kong Offer Shares is void:

The allotment of Hong Kong Offer Shares will be void if the Listing Committee of the Stock Exchange does not grant permission to list the Shares either:

- within three weeks from the closing date of the application lists; or
- within a longer period of up to six weeks if the Listing Committee notifies our Company of that longer period within three weeks of the closing date of the application lists.

(iv) If:

- you make multiple applications or suspected multiple applications;
- you or the person for whose benefit you are applying have applied for or taken up, or indicated an interest for, or have been or will be placed or allocated (including conditionally and/or provisionally) Hong Kong Offer Shares and International Placing Shares;

HOW TO APPLY FOR THE HONG KONG OFFER SHARES

- your Application Form is not completed in accordance with the stated instructions;
- your electronic application instructions through the White Form eIPO service are not completed in accordance with the instructions, terms and conditions on the designated website;
- your payment is not made correctly or the cheque or banker's cashier order paid by you is dishonored upon its first presentation;
- the Underwriting Agreements do not become unconditional or are terminated;
- our Company or the Joint Global Coordinators believe that by accepting your application, it or they would violate applicable securities or other laws, rules or regulations; or
- your application is for more than 50% of the Hong Kong Offer Shares initially offered under the Hong Kong Public Offering.

13. REFUND OF APPLICATION MONIES

If an application is rejected, not accepted or accepted in part only, or if the Offer Price as finally determined is less than the maximum offer price of HK\$10.00 per Offer Share (excluding brokerage, SFC transaction levy and the Stock Exchange trading fee thereon), or if the conditions of the Hong Kong Public Offering are not fulfilled in accordance with "Structure of the Global Offering—Conditions of the Hong Kong Public Offering" in this prospectus or if any application is revoked, the application monies, or the appropriate portion thereof, together with the related brokerage, SFC transaction levy and the Stock Exchange trading fee, will be refunded, without interest or the cheque or banker's cashier order will not be cleared.

Any refund of your application monies will be made on or before Tuesday, July 7, 2015.

14. DESPATCH/COLLECTION OF SHARE CERTIFICATES AND REFUND MONIES

You will receive one share certificate for all Hong Kong Offer Shares allotted to you under the Hong Kong Public Offering (except pursuant to applications made on YELLOW Application Forms or by electronic application instructions to HKSCC via CCASS where the share certificates will be deposited into CCASS as described below).

No temporary document of title will be issued in respect of the Shares. No receipt will be issued for sums paid on application. If you apply by WHITE or YELLOW Application Form, subject to personal collection as mentioned below, the following will be sent to you (or, in the case of joint applicants, to the first-named applicant) by ordinary post, at your own risk, to the address specified on the Application Form:

- share certificate(s) for all the Hong Kong Offer Shares allotted to you (for YELLOW Application Forms, share certificates will be deposited into CCASS as described below); and

HOW TO APPLY FOR THE HONG KONG OFFER SHARES

- refund cheque(s) crossed “Account Payee Only” in favor of the applicant (or, in the case of joint applicants, the first-named applicant) for (i) all or the surplus application monies for the Hong Kong Offer Shares, wholly or partially unsuccessfully applied for; and/or (ii) the difference between the Offer Price and the maximum Offer Price per Offer Share paid on application in the event that the Offer Price is less than the maximum Offer Price (including brokerage, SFC transaction levy and the Stock Exchange trading fee but without interest). Part of the Hong Kong identity card number/ passport number, provided by you or the first-named applicant (if you are joint applicants), may be printed on your refund cheque, if any. Your banker may require verification of your Hong Kong identity card number/passport number before encashment of your refund cheque(s). Inaccurate completion of your Hong Kong identity card number/passport number may invalidate or delay encashment of your refund cheque(s).

Subject to arrangements for dispatch/collection of share certificates and refund monies as mentioned below, any refund cheques and share certificates are expected to be posted on or before Tuesday, July 7, 2015. The right is reserved to retain any share certificate(s) and any surplus application monies pending clearance of cheque(s) or banker’s cashier’s order(s).

Share certificates will only become valid at 8:00 a.m. on Wednesday, July 8, 2015 provided that the Global Offering has become unconditional and the right of termination described in the “Underwriting” section in this prospectus has not been exercised. Investors who trade shares prior to the receipt of Share certificates or the Share certificates becoming valid do so at their own risk.

Personal Collection

(i) If you apply using a WHITE Application Form

If you apply for 1,000,000 or more Hong Kong Offer Shares and have provided all information required by your Application Form, you may collect your refund cheque(s) and/or share certificate(s) from the Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong, from 9:00 a.m. to 1:00 p.m. on Tuesday, July 7, 2015 or such other date as is notified by us in the newspapers.

If you are an individual who is eligible for personal collection, you must not authorize any other person to collect for you. If you are a corporate applicant which is eligible for personal collection, your authorized representative must bear a letter of authorization from your corporation stamped with your corporation’s chop. Both individuals and authorized representatives must produce, at the time of collection, evidence of identity acceptable to the Share Registrar.

If you do not collect your refund cheque(s) and/or share certificate(s) personally within the time specified for collection, they will be despatched promptly to the address specified in your Application Form by ordinary post at your own risk.

HOW TO APPLY FOR THE HONG KONG OFFER SHARES

If you apply for less than 1,000,000 Hong Kong Offer Shares, your refund cheque(s) and/or share certificate(s) will be sent to the address on the relevant Application Form on or before Tuesday, July 7, 2015, by ordinary post and at your own risk.

(ii) If you apply using a YELLOW Application Form

If you apply for 1,000,000 Hong Kong Offer Shares or more, please follow the same instructions as described above. If you have applied for less than 1,000,000 Hong Kong Offer Shares, your refund cheque(s) will be sent to the address on the relevant Application Form on or before Tuesday, July 7, 2015, by ordinary post and at your own risk.

If you apply by using a YELLOW Application Form and your application is wholly or partially successful, your share certificate(s) will be issued in the name of HKSCC Nominees and deposited into CCASS for credit to your or the designated CCASS Participant's stock account as stated in your Application Form on Tuesday, July 7, 2015, or upon contingency, on any other date determined by HKSCC or HKSCC Nominees.

- *If you apply through a designated CCASS participant (other than a CCASS investor participant)*

For Hong Kong Public Offering shares credited to your designated CCASS participant's stock account (other than CCASS Investor Participant), you can check the number of Hong Kong Public Offering shares allotted to you with that CCASS participant.

- *If you are applying as a CCASS investor participant*

Our Company will publish the results of CCASS Investor Participants' applications together with the results of the Hong Kong Public Offering in the manner described in "—11. Publication of Results" above. You should check the announcement published by our Company and report any discrepancies to HKSCC before 5:00 p.m. on Tuesday, July 7, 2015 or any other date as determined by HKSCC or HKSCC Nominees. Immediately after the credit of the Hong Kong Offer Shares to your stock account, you can check your new account balance via the CCASS Phone System and CCASS Internet System.

(iii) If you apply through the White Form eIPO Service

If you apply for 1,000,000 Hong Kong Offer Shares or more and your application is wholly or partially successful, you may collect your Share certificate(s) from Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, from 9:00 a.m. to 1:00 p.m. on Tuesday, July 7, 2015, or such other date as is notified by our Company in the newspapers as the date of despatch/collection of Share certificates/e-Refund payment instructions/refund cheques.

If you do not collect your Share certificate(s) personally within the time specified for collection, they will be sent to the address specified in your application instructions by ordinary post at your own risk.

HOW TO APPLY FOR THE HONG KONG OFFER SHARES

If you apply for less than 1,000,000 Hong Kong Offer Shares, your Share certificate(s) (where applicable) will be sent to the address specified in your application instructions on or before Tuesday, July 7, 2015 by ordinary post at your own risk.

If you apply and pay the application monies from a single bank account, any refund monies will be despatched to that bank account in the form of e-Refund payment instructions. If you apply and pay the application monies from multiple bank accounts, any refund monies will be despatched to the address as specified in your application instructions in the form of refund cheque(s) by ordinary post at your own risk.

(iv) If you apply via Electronic Application Instructions to HKSCC

Allocation of Hong Kong Offer Shares

For the purposes of allocating Hong Kong Offer Shares, HKSCC Nominees will not be treated as an applicant. Instead, each CCASS Participant who gives electronic application instructions or each person for whose benefit instructions are given will be treated as an applicant.

Deposit of Share Certificates into CCASS and Refund of Application Monies

- If your application is wholly or partially successful, your share certificate(s) will be issued in the name of HKSCC Nominees and deposited into CCASS for the credit of your designated CCASS Participant's stock account or your CCASS Investor Participant stock account on Tuesday, July 7, 2015, or, on any other date determined by HKSCC or HKSCC Nominees.
- Our Company expects to publish the application results of CCASS Participants (and where the CCASS Participant is a broker or custodian, our Company will include information relating to the relevant beneficial owner), your Hong Kong identity card number/passport number or other identification code (Hong Kong business registration number for corporations) and the basis of allotment of the Hong Kong Public Offering in the manner specified in "—11. Publication of Results" above on Tuesday, July 7, 2015. You should check the announcement published by our Company and report any discrepancies to HKSCC before 5:00 p.m. on Tuesday, July 7, 2015 or such other date as determined by HKSCC or HKSCC Nominees.
- If you have instructed your broker or custodian to give electronic application instructions on your behalf, you can also check the number of Hong Kong Offer Shares allotted to you and the amount of refund monies (if any) payable to you with that broker or custodian.
- If you have applied as a CCASS Investor Participant, you can also check the number of Hong Kong Offer Shares allotted to you and the amount of refund monies (if any) payable to you via the CCASS Phone System and the CCASS Internet System (under the procedures contained in HKSCC's "An Operating Guide for Investor Participants" in effect from time to time) on Tuesday, July 7, 2015. Immediately following the credit of the

HOW TO APPLY FOR THE HONG KONG OFFER SHARES

Hong Kong Offer Shares to your stock account and the credit of refund monies to your bank account, HKSCC will also make available to you an activity statement showing the number of Hong Kong Offer Shares credited to your CCASS Investor Participant stock account and the amount of refund monies (if any) credited to your designated bank account.

- Refund of your application monies (if any) in respect of wholly and partially unsuccessful applications and/or difference between the Offer Price and the maximum Offer Price per Offer Share initially paid on application (including brokerage, SFC transaction levy and the Stock Exchange trading fee but without interest) will be credited to your designated bank account or the designated bank account of your broker or custodian on Tuesday, July 7, 2015.

15. ADMISSION OF THE SHARES INTO CCASS

If the Stock Exchange grants the listing of, and permission to deal in, the Shares and we comply with the stock admission requirements of HKSCC, the Shares will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the date of commencement of dealings in the Shares or any other date HKSCC chooses. Settlement of transactions between Exchange Participants (as defined in the Listing Rules) is required to take place in CCASS on the second Business Day after any trading day.

All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time.

Investors should seek the advice of their stockbroker or other professional advisor for details of the settlement arrangement as such arrangements may affect their rights and interests.

All necessary arrangements have been made enabling the Shares to be admitted into CCASS.

The following is the text of a report received from the Company's reporting accountant, Ernst & Young, Certified Public Accountants, Hong Kong, for the purpose of incorporation in this prospectus. It is prepared and addressed to the directors of the Company and to the Joint Sponsors pursuant to the requirements of Auditing Guideline 3.340 "Prospectuses and the Reporting Accountant" issued by the Hong Kong Institute of Certified Public Accountants.



22/F CITIC Tower,
1 Tim Mei Avenue,
Central, Hong Kong

June 24, 2015

The Directors

Universal Medical Financial & Technical Advisory Services Company Limited
(Formerly known as Universal International Leasing Co., Limited or Universal Medical Services & Health Management Company Limited)

Goldman Sachs (Asia) L.L.C.
Nomura International (Hong Kong) Limited

Dear Sirs,

We set out below our report on the financial information of Universal Medical Financial & Technical Advisory Services Company Limited (the "Company") and its subsidiaries (hereinafter collectively referred to as the "Group") comprising the consolidated statements of profit or loss, the consolidated statements of comprehensive income, the consolidated statements of changes in equity, and the consolidated statements of cash flows of the Group for each of the years ended December 31, 2012, 2013 and 2014 (the "Relevant Periods"), and the consolidated statements of financial position of the Group and the statements of financial position of the Company as at December 31, 2012, 2013 and 2014, together with the notes thereto (the "Financial Information"), prepared on the basis of presentation set out in note 2.1 of Section II below, for inclusion in the prospectus of the Company dated June 24, 2015 (the "Prospectus") in connection with the listing of the shares of the Company on the Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange").

The Company was incorporated in Hong Kong as a company with limited liability on April 19, 2012. Pursuant to a group reorganization (the "Reorganization") as set out in note 1 of Section II below, the Company became the holding company of the other subsidiaries now comprising the Group.

As at the date of this report, the Company had direct and indirect interests in the subsidiaries as set out in note 1 of Section II below. All companies now comprising the Group have adopted December 31 as their financial year end date. The statutory financial statements of the companies now comprising the Group were prepared in accordance with the relevant accounting principles applicable to these companies in the countries in which they were incorporated and/or established. Details of their statutory auditors during the Relevant Periods are set out in note 1 of Section II below.

For the purpose of this report, the directors of the Company (the "Directors") have prepared the consolidated financial statements of the Group (the "Underlying Financial Statements") in accordance with Hong Kong Financial Reporting Standards ("HKFRSs"), which include all Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards ("HKASs") and Interpretations issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA"). The Underlying Financial Statements for each of the years ended December 31, 2012, 2013 and 2014 were audited by us in accordance with Hong Kong Standards on Auditing issued by the HKICPA.

The Financial Information set out in this report has been prepared from the Underlying Financial Statements with no adjustments made thereon.

Directors' responsibility

The Directors are responsible for the preparation of the Underlying Financial Statements and the Financial Information that give a true and fair view in accordance with HKFRSs, and for such internal control as the Directors determine is necessary to enable the preparation of the Underlying Financial Statements and the Financial Information that are free from material misstatement, whether due to fraud or error.

Reporting accountants' responsibility

It is our responsibility to form an independent opinion on the Financial Information and to report our opinion thereon to you.

For the purpose of this report, we have carried out procedures on the Financial Information in accordance with Auditing Guideline 3.340 *Prospectuses and the Reporting Accountant* issued by the HKICPA.

Opinion in respect of the Financial Information

In our opinion, for the purpose of this report and on the basis of presentation set out in note 2.1 of Section II below, the Financial Information gives a true and fair view of the state of affairs of the Group and the Company as at December 31, 2012, 2013 and 2014 and of the consolidated results and cash flows of the Group for each of the Relevant Periods.

I. FINANCIAL INFORMATION

(a) Consolidated Statements of Profit or Loss

	Notes	Year ended December 31,		
		2012	2013	2014
		RMB'000	RMB'000	RMB'000
REVENUE	6	593,326	981,458	1,552,682
Cost of sales		(204,781)	(348,619)	(619,594)
Gross profit		388,545	632,839	933,088
Other income and gains	6	6,393	54,887	15,419
Selling and distribution costs		(70,296)	(106,874)	(126,295)
Administrative expenses		(77,037)	(154,395)	(190,614)
Other expenses		(8,457)	(8,113)	(20,516)
PROFIT BEFORE TAX	7	239,148	418,344	611,082
Income tax expense	10	(61,496)	(105,606)	(154,444)
PROFIT FOR THE YEAR		<u>177,652</u>	<u>312,738</u>	<u>456,638</u>
Attributable to:				
The owners of the parent		<u>177,652</u>	<u>312,738</u>	<u>456,638</u>
EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT				
Basic and diluted (expressed in RMB per share)	13	<u>0.38</u>	<u>0.51</u>	<u>0.51</u>

Details of the dividends payable and proposed for the Relevant Periods are disclosed in note 12 to the Financial Information.

(b) Consolidated Statements of Comprehensive Income

	Year ended December 31,		
	2012	2013	2014
	RMB'000	RMB'000	RMB'000
PROFIT FOR THE YEAR	177,652	312,738	456,638
OTHER COMPREHENSIVE INCOME:			
<i>Item not to be reclassified to profit or loss in subsequent periods:</i>			
Exchange differences on translation of financial statements into presentation currency.	195	2	1,026
Net other comprehensive income not to be reclassified to profit or loss in subsequent periods	195	2	1,026
OTHER COMPREHENSIVE INCOME FOR THE YEAR, NET OF TAX	195	2	1,026
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	<u>177,847</u>	<u>312,740</u>	<u>457,664</u>
Attributable to:			
The owners of the parent	<u>177,847</u>	<u>312,740</u>	<u>457,664</u>

(c) Consolidated Statements of Financial Position

	Notes	As at December 31,		
		2012	2013	2014
		RMB'000	RMB'000	RMB'000
NON-CURRENT ASSETS				
Property, plant and equipment	14	60,408	104,465	90,056
Loans and accounts receivables	19	3,724,072	6,980,698	11,471,343
Prepayments, deposits and other receivables	20	129,624	181,105	20,554
Available-for-sale investments	16	—	—	20,955
Deferred tax assets	25	1,923	15,956	22,497
Total non-current assets		3,916,027	7,282,224	11,625,405
CURRENT ASSETS				
Inventories	18	3,775	3,321	3,119
Loans and accounts receivables	19	1,534,912	2,584,306	4,167,986
Prepayments, deposits and other receivables	20	56,709	139,208	34,733
Restricted deposits	21	64,041	124,377	100,504
Cash and cash equivalents	21	307,980	318,998	453,569
Total current assets		1,967,417	3,170,210	4,759,911
CURRENT LIABILITIES				
Trade and bills payables	22	547,054	234,597	956,422
Other payables and accruals	23	266,522	379,982	325,695
Interest-bearing bank and other borrowings	24	2,064,506	3,358,354	4,118,187
Taxes payable		8,480	19,317	12,145
Total current liabilities		2,886,562	3,992,250	5,412,449
NET CURRENT LIABILITIES		(919,145)	(822,040)	(652,538)
TOTAL ASSETS LESS CURRENT LIABILITIES		2,996,882	6,460,184	10,972,867
NON-CURRENT LIABILITIES				
Interest-bearing bank and other borrowings	24	1,724,193	4,547,462	7,290,065
Other payables and accruals	23	408,091	738,172	1,232,568
Other liabilities		—	—	20,955
Derivative financial instruments	17	8,595	5,807	1,780
Total non-current liabilities		2,140,879	5,291,441	8,545,368
Net assets		856,003	1,168,743	2,427,499
EQUITY				
Share capital	27	775,291	775,291	1,579,905
Reserves	28	80,712	393,452	847,594
Total equity		856,003	1,168,743	2,427,499

(d) Consolidated Statements of Changes in Equity

	(Accumulated					Total
	Share capital	Capital reserve*	Statutory reserve*	Exchange fluctuation reserve*	Losses)/	
					Retained profits*	
RMB'000 (note 27)	RMB'000 (note 28)	RMB'000 (note 28)	RMB'000 (note 28)	RMB'000	RMB'000	
At January 1, 2012.	—	394,362	24,392	—	(96,217)	322,537
Profit for the year	—	—	—	—	177,652	177,652
Other comprehensive income for the year:						
Exchange differences on translation of financial statements into presentation currency	—	—	—	195	—	195
Total comprehensive income for the year	—	—	—	195	177,652	177,847
Issue of shares	775,291	(394,362)	—	—	—	380,929
Dividends	—	—	—	—	(25,310)	(25,310)
Appropriation of statutory reserves	—	—	17,750	—	(17,750)	—
At December 31, 2012.	<u>775,291</u>	<u>—</u>	<u>42,142</u>	<u>195</u>	<u>38,375</u>	<u>856,003</u>

	Share capital	Statutory reserve*	Exchange fluctuation reserve*	Retained profits*	Total
At January 1, 2013.	775,291	42,142	195	38,375	856,003
Profit for the year	—	—	—	312,738	312,738
Other comprehensive income for the year:					
Exchange differences on translation of financial statements into presentation currency	—	—	2	—	2
Total comprehensive income for the year.	—	—	2	312,738	312,740
Appropriation of statutory reserves	—	31,320	—	(31,320)	—
At December 31, 2013	<u>775,291</u>	<u>73,462</u>	<u>197</u>	<u>319,793</u>	<u>1,168,743</u>

APPENDIX I
ACCOUNTANTS' REPORT

	Share capital	Capital reserve*	Statutory reserve*	Exchange fluctuation reserve*	Retained profits*	Total
	RMB'000 (note 27)	RMB'000 (note 28)	RMB'000 (note 28)	RMB'000 (note 28)	RMB'000	RMB'000
At January 1, 2014. . .	775,291	—	73,462	197	319,793	1,168,743
Profit for the year . . .	—	—	—	—	456,638	456,638
Other comprehensive Income for the year:						
Exchange differences on translation of financial statements into presentation currency	—	—	—	1,026	—	1,026
Total comprehensive income for the year.	—	—	—	1,026	456,638	457,664
Issue of shares	804,614	—	—	—	—	804,614
Equity-settled share award arrangements	—	4,742	—	—	—	4,742
Dividends	—	—	—	—	(8,264)	(8,264)
Appropriation of reserves	—	—	45,666	—	(45,666)	—
At December 31, 2014	<u>1,579,905</u>	<u>4,742</u>	<u>119,128</u>	<u>1,223</u>	<u>722,501</u>	<u>2,427,499</u>

* These reserve accounts comprise the consolidated reserves of RMB80,712,000, RMB393,452,000 and RMB847,594,000 in the consolidated statements of financial position as at December 31, 2012, 2013 and 2014, respectively.

(e) Consolidated Statements of Cash Flows

	Notes	Year ended December 31,		
		2012	2013	2014
		RMB'000	RMB'000	RMB'000
CASH FLOWS FROM OPERATING ACTIVITIES				
Profit before tax		239,148	418,344	611,082
Adjustments for:				
Finance costs	7	192,364	325,449	596,954
Interest income	6	(3,421)	(1,593)	(2,482)
Derivative financial instruments — transactions not qualifying as hedges:				
Unrealised fair value losses/(gains), net	7	1,893	(2,562)	(4,079)
Depreciation	14	8,560	16,339	15,150
Provision for impairment of lease receivables	19	21,919	78,286	85,854
Foreign exchange (gain)/loss, net		(2,913)	(49,887)	13,110
Equity-settled share-based compensation expense	29	—	—	4,742
		<u>457,550</u>	<u>784,376</u>	<u>1,320,331</u>
(Increase)/decrease in inventories		(269)	454	202
Increase in loans and accounts receivables		(2,274,505)	(4,406,397)	(6,175,768)
Decrease/(increase) in prepayments, deposits and other receivables		13,515	(194,068)	281,771
Decrease in amounts due from related parties		15,671	20,515	15,253
Increase/(decrease) in trade and bills payables		347,703	(312,207)	613,386
Increase in other payables and accruals		152,398	414,538	689,974
(Decrease)/increase in amounts due to related parties		<u>(115,426)</u>	<u>2,315</u>	<u>104,536</u>
Net cash flows used in operating activities before interest and tax		(1,403,363)	(3,690,474)	(3,150,315)
Interest paid		(134,262)	(321,735)	(795,641)
Interest received		3,421	1,593	2,482
Income tax paid		<u>(58,700)</u>	<u>(108,801)</u>	<u>(167,241)</u>
Net cash flows used in operating activities		<u>(1,592,904)</u>	<u>(4,119,417)</u>	<u>(4,110,715)</u>

	Notes	Year ended December 31,		
		2012	2013	2014
		RMB'000	RMB'000	RMB'000
CASH FLOWS FROM INVESTING ACTIVITIES				
Cash paid for acquisition of property, plant and equipment and other long term assets		(60,492)	(582)	(741)
Net cash flows used in investing activities		(60,492)	(582)	(741)
CASH FLOWS FROM FINANCING ACTIVITIES				
Proceeds from issue of shares		380,929	—	804,614
Decrease in amounts due to related parties		(50,000)	—	(632,836)
Cash received from borrowings		2,132,227	5,564,235	6,206,195
Repayments of borrowings		(755,236)	(1,363,019)	(2,076,004)
Cash paid for restricted deposits		(64,041)	(124,377)	(100,504)
Repayment of restricted deposits		36,113	64,041	124,377
Dividends paid		—	—	(77,939)
Net cash flows from financing activities		1,679,992	4,140,880	4,247,903
NET INCREASE IN CASH AND CASH EQUIVALENTS				
Cash and cash equivalents at beginning of year		282,134	307,980	318,998
Effect of exchange rate changes on cash and cash equivalents		(750)	(9,863)	(1,876)
CASH AND CASH EQUIVALENTS AT END OF YEAR	21	<u>307,980</u>	<u>318,998</u>	<u>453,569</u>
ANALYSIS OF CASH AND CASH EQUIVALENTS				
Cash and bank balances		371,441	441,785	529,496
Less: restricted deposits		63,461	122,787	75,927
Cash and cash equivalents as stated in the statement of financial position	21	<u>307,980</u>	<u>318,998</u>	<u>453,569</u>
Cash and cash equivalents as stated in the statement of cash flows	21	<u>307,980</u>	<u>318,998</u>	<u>453,569</u>

(f) Statements of Financial Position of the Company

	Note	Year ended December 31,		
		2012	2013	2014
		RMB'000	RMB'000	RMB'000
NON-CURRENT ASSETS				
Investments in subsidiaries	15	770,597	747,475	1,477,207
Prepayments, deposits and other receivables . . .	20	—	—	8,000
Total non-current assets		<u>770,597</u>	<u>747,475</u>	<u>1,485,207</u>
CURRENT ASSETS				
Accounts receivable	19	—	—	3,355
Prepayments, deposits and other receivables . . .	20	—	451	23,333
Dividend receivable from a subsidiary		—	—	8,264
Cash and cash equivalents	21	158	5,685	87,131
Total current assets		<u>158</u>	<u>6,136</u>	<u>122,083</u>
CURRENT LIABILITIES				
Trade payables	22	—	—	759
Other payables and accruals	23	1	6,443	19,238
Interest-bearing bank and other borrowings	24	—	—	4,000
Taxes payable		—	—	193
Other liabilities		—	—	16,000
Total current liabilities		<u>1</u>	<u>6,443</u>	<u>40,190</u>
NET CURRENT ASSETS/(LIABILITIES)		<u>157</u>	<u>(307)</u>	<u>81,893</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>770,754</u>	<u>747,168</u>	<u>1,567,100</u>
NON-CURRENT LIABILITIES				
Other liabilities		—	—	8,000
Total non-current liabilities		<u>—</u>	<u>—</u>	<u>8,000</u>
Net assets		<u>770,754</u>	<u>747,168</u>	<u>1,559,100</u>
EQUITY				
Share capital	27	775,291	775,291	1,579,905
Reserves	28	(4,537)	(28,123)	(20,805)
Total equity		<u>770,754</u>	<u>747,168</u>	<u>1,559,100</u>

II. NOTES TO THE FINANCIAL INFORMATION

1. CORPORATE INFORMATION

Universal Medical Financial & Technical Advisory Services Company Limited (the "Company") is a limited liability company which was incorporated in Hong Kong on April 19, 2012. Pursuant to the special resolutions of shareholders dated February 6, 2015 and June 10, 2015, respectively, the Company changed its name from Universal International Leasing Co., Limited to Universal Medical Services & Health Management Company Limited and then to Universal Medical Financial & Technical Advisory Services Company Limited. The registered office of the Company is located at Room 3302~3303, Office Tower, Convention Plaza, 1 Harbour Road, Wanchai, Hong Kong.

The Group is principally engaged in providing financing to its customers under finance lease arrangements, the provision of advisory services, sale of medical equipment, medical equipment leases under operating lease arrangements, and the provision of other services as approved by the Ministry of Commerce of the People's Republic of China (the "PRC") in Mainland China.

The business of the Group is mainly carried out by China Universal Leasing Co., Ltd. ("CULC"), which is established in the People's Republic of China (the "PRC"). Prior to the incorporation of the Company and completion of the Reorganization as described below, CULC was a company owned 50.8% and 49.2% respectively, by China General Technology (Group) Holdings Limited ("Genertec Group") and Genertec Hong Kong International Capital Limited ("Genertec HK"), a subsidiary of Genertec Group. Genertec Group is a state-owned enterprise under the supervision of the State-owned Assets Supervision and Administration Commission of the State Council of the PRC (the "SASAC").

The Group underwent the Reorganization which principally involved the following steps:

- (a) Pursuant to an equity transfer agreement dated January 18, 2012, Genertec Group transferred all of its interests in CULC to Genertec HK; Upon completion of the equity transfer, Genertec HK became the sole equity-holder of CULC;
- (b) On April 19, 2012, the Company was incorporated in Hong Kong. At its incorporation, the issued share capital of the Company was US\$62,525,600 divided into 62,525,600 ordinary shares of US\$1 each, all of which were issued, fully paid up, to Genertec HK;
- (c) Pursuant to an equity transfer agreement dated April 20, 2012, Genertec HK agreed to transfer the entire equity interest in CULC to the Company.

Following completion of the above Reorganization and since May 24, 2012, the Company became the holding company of the companies now comprising the Group.

As at the date of this report, the Company had direct and indirect interests in its subsidiaries, all of which are private limited liability companies (or if incorporated outside Hong Kong, have substantially similar characteristics to a private company incorporated in Hong Kong). Particulars of the subsidiaries now comprising the Group are as follows:

Company name	Notes	Place and date of incorporation/ and place of operations	Issued ordinary share/registered capital	Percentage of equity interest attributable to the company		Principal activities
				Direct	Indirect	
中國環球租賃有限公司 (China Universal Leasing Co., Ltd.)	(i)	PRC November 1, 1984	US\$203,887,616	100.00	—	Finance lease
Universal Number One Co., Ltd.	(ii)	Cayman Islands June 30, 2008	US\$1	100.00	—	Provision of financing
Universal Number Two Co., Ltd.	(ii)	Cayman Islands June 30, 2008	US\$1	100.00	—	For future business purpose
環球國際融資租賃 (天津)有限公司 (Universal International Financial Leasing (Tianjin) Co., Ltd.)	(iii)	PRC December 10, 2014	US\$50,000,000	25.00	75.00	Finance lease

- (i) The statutory financial statements for the three years ended December 31, 2012, 2013 and 2014 prepared under PRC GAAP were audited by Ernst & Young Hua Ming LLP.
- (ii) No statutory accounts have been prepared for the subsidiaries since their incorporation as there is no statutory requirement for these companies to prepare audited financial statements.
- (iii) No audited financial statements have been prepared for the company as the subsidiary is not required by the local authority to prepare statutory accounts during the Relevant Periods.

2.1 BASIS OF PRESENTATION

Pursuant to the Reorganization, the Company became the holding company of the companies now comprising the Group on May 24, 2012. As the Reorganization only involved the insertion of the Company as a new holding entity above an existing company and has not resulted in any change of economic substance, the Financial Information for the Relevant Periods has been presented as a continuation of the existing company using the pooling of interest method.

Accordingly, the consolidated statements of profit or loss, the consolidated statements of comprehensive income, the consolidated statements of changes in equity and the consolidated statements of cash flows are prepared as if the current group structure had been

in existence throughout the Relevant Periods. The consolidated statements of financial position as at December 31, 2012, 2013 and 2014 present the assets and liabilities of the companies now comprising the Group, as if the current group structure had been in existence at those dates.

All significant intragroup transactions and balances have been eliminated on consolidation.

As of December 31, 2014, the Group had net current liabilities amounting to RMB652,538,000. When preparing the Financial Information, the Group's management concluded that the adoption of the going concern basis of accounting was appropriate after analysing the forecasted cash flows for the twelve months from December 31, 2014 which indicates that the Group will have sufficient liquidity during the next twelve months from cash inflows generated by operations and existing credit facilities. To mitigate any liquidity issues that might be faced by the Group, the Group may curtail and defer its expansion of financial leasing business based on the availability of sufficient funds. Accordingly, the Group will have the financial resources to settle borrowings and liabilities that will be due in the next twelve months, as and when they fall due.

2.2 BASIS OF PREPARATION

The Financial Information has been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") (which include all Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards ("HKASs") and Interpretations) issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and accounting principles generally accepted in Hong Kong. All HKFRSs effective for the accounting period commencing from January 1, 2014, together with the relevant transitional provisions, have been early adopted by the Group in the preparation of the Financial Information throughout the Relevant Periods.

The Financial Information has been prepared under the historical cost convention, except for derivative financial instruments and available-for-sale investments which have been measured at fair value. These financial statements are presented in Renminbi ("RMB") and all values are rounded to the nearest thousand ("RMB'000") except when otherwise indicated.

3.1 ISSUED BUT NOT YET EFFECTIVE HONG KONG FINANCIAL REPORTING STANDARDS

The Group has not applied the following new and revised HKFRSs, which have been issued but are not yet effective, in this Financial Information.

HKFRS 9	<i>Financial Instruments</i> ⁴
Amendments to HKFRS 10 and HKAS 28 (2011)	<i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i> ²
Amendments to HKFRS 11	<i>Accounting for Acquisitions of Interests in Joint Operations</i> ²
HKFRS 14	<i>Regulatory Deferral Accounts</i> ⁵
HKFRS 15	<i>Revenue from Contracts with Customers</i> ³
Amendments to HKAS 16 and HKAS 38	<i>Clarification of Acceptable Methods of Depreciation and Amortisation</i> ²
Amendments to HKAS 16 and HKAS 41	<i>Agriculture: Bearer Plants</i> ²
Amendments to HKAS 19	<i>Defined Benefit Plans: Employee Contributions</i> ¹
Amendments to HKAS 27 (2011)	<i>Equity Method in Separate Financial Statements</i> ²
Annual Improvements 2010 - 2012 Cycle	<i>Amendments to a number of HKFRSs</i> ¹
Annual Improvements 2011 - 2013 Cycle	<i>Amendments to a number of HKFRSs</i> ¹
Annual Improvements 2012 - 2014 Cycle	<i>Amendments to a number of HKFRSs</i> ²

¹ Effective for annual periods beginning on or after July 1, 2014

² Effective for annual periods beginning on or after January 1, 2016

³ Effective for annual periods beginning on or after January 1, 2017

⁴ Effective for annual periods beginning on or after January 1, 2018

⁵ Effective for an entity that first adopts HKFRSs for its annual financial statements on or after January 1, 2016 and therefore is not applicable to the Group

The Group is in the process of making an assessment of the impact of these new and revised HKFRSs upon initial application. So far, the Group considers that these new and revised HKFRSs are unlikely to have a significant impact on the Group's results of operations and financial position.

3.2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Subsidiaries

A subsidiary is an entity (including a structured entity), directly or indirectly, controlled by the Company. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee (i.e., existing rights that give the Group the current ability to direct the relevant activities of the investee).

When the Company has, directly or indirectly, less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- (a) the contractual arrangement with the other vote holders of the investee;
- (b) the rights arising from other contractual arrangements; and
- (c) the Group's voting rights and potential voting rights.

The results of subsidiaries are included in the Company's statement of profit or loss to the extent of dividends received and receivable. The Company's investments in subsidiaries that are not classified as held for sale in accordance with HKFRS 5 *Non-current Assets Held for Sale and Discontinued Operations* are stated at cost less any impairment losses.

Fair value measurement

The Group measures its derivative financial instruments at fair value at the end of each reporting period. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability, or in the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible by the Group. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — based on quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2 — based on valuation techniques for which the lowest level input that is significant to the fair value measurement is observable, either directly or indirectly
- Level 3 — based on valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by reassessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

Impairment of non-financial assets

Where an indication of impairment exists, or when annual impairment testing for an asset is required (other than inventories and financial assets), the asset's recoverable amount is estimated. An asset's recoverable amount is the higher of the asset's or cash-generating unit's value in use and its fair value less costs of disposal, and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets, in which case the recoverable amount is determined for the cash-generating unit to which the asset belongs.

An impairment loss is recognized only if the carrying amount of an asset exceeds its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. An impairment loss is charged to the statement of profit or loss in the period in which it arises in those expense categories consistent with the function of the impaired asset.

An assessment is made at the end of each reporting period as to whether there is an indication that previously recognized impairment losses may no longer exist or may have decreased. If such an indication exists, the recoverable amount is estimated. A previously recognized impairment loss of an asset other than goodwill is reversed only if there has been a change in the estimates used to determine the recoverable amount of that asset, but not to an amount higher than the carrying amount that would have been determined (net of any depreciation/amortisation) had no impairment loss been recognized for the asset in prior years. A reversal of such an impairment loss is credited to the statement of profit or loss in the period in which it arises, unless the asset is carried at a revalued amount, in which case the reversal of the impairment loss is accounted for in accordance with the relevant accounting policy for that revalued asset.

Related parties

A party is considered to be related to the Group if:

- (a) the party is a person or a close member of that person's family and that person
 - (i) has control or joint control over the Group;
 - (ii) has significant influence over the Group; or
 - (iii) is a member of the key management personnel of the Group or of a parent of the Group;

or

- (b) the party is an entity where any of the following conditions applies:
 - (i) the entity and the Group are members of the same group;
 - (ii) one entity is an associate or joint venture of the other entity (or of a parent, subsidiary or fellow subsidiary of the other entity);
 - (iii) the entity and the Group are joint ventures of the same third party;
 - (iv) one entity is a joint venture of a third entity and the other entity is an associate of the third entity;
 - (v) the entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group;
 - (vi) the entity is controlled or jointly controlled by a person identified in (a); and
 - (vii) a person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

Property, plant and equipment and depreciation

Property, plant and equipment, other than construction in progress, are stated at cost less accumulated depreciation and any impairment losses. When an item of property, plant and equipment is classified as held for sale or when it is part of a disposal group classified as held for sale, it is not depreciated and is accounted for in accordance with HKFRS 5.

The cost of an item of property, plant and equipment comprises its purchase price and any directly attributable costs of bringing the asset to its working condition and location for its intended use.

Expenditure incurred after items of property, plant and equipment have been put into operation, such as repairs and maintenance, is normally charged to the statement of profit or loss in the period in which it is incurred. In situations where the recognition criteria are satisfied, the expenditure for a major inspection is capitalised in the carrying amount of the asset as a replacement. Where significant parts of property, plant and equipment are required to be replaced at intervals, the Group recognises such parts as individual assets with specific useful lives and depreciates them accordingly.

Depreciation is calculated on the straight-line basis to write off the cost of each item of property, plant and equipment to its residual value over its estimated useful life. The principal annual rates used for this purpose are as follows:

Category	Annual depreciation rate
Transportation equipment	9.50%
Office equipment	19.00%
Electronic equipment	19.00%
Medical equipment	8.33%-12.50%
Others	19.00%

Where parts of an item of property, plant and equipment have different useful lives, the cost of that item is allocated on a reasonable basis among the parts and each part is depreciated separately. Residual values, useful lives and the depreciation method are reviewed, and adjusted if appropriate, at least at each financial year end.

An item of property, plant and equipment and any significant part initially recognized is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on disposal or retirement recognized in the statement of profit or loss in the year the asset is derecognized is the difference between the net sales proceeds and the carrying amount of the relevant asset.

Leases

Leases that transfer substantially all the rewards and risks of ownership of assets to the Group, other than legal title, are accounted for as finance leases. At the inception of a finance lease, the cost of the leased asset is capitalised at the present value of the minimum lease payments and recorded together with the obligation, excluding the interest element, to reflect the purchase and financing. Assets held under capitalised finance leases, including prepaid land lease payments under finance leases, are included in property, plant and equipment, and depreciated over the shorter of the lease terms and the estimated useful lives of the assets. The finance costs of such leases are charged to the statement of profit or loss so as to provide a constant periodic rate of charge over the lease terms.

Assets acquired through hire purchase contracts of a financing nature are accounted for as finance leases, but are depreciated over their estimated useful lives.

When the Group is a lessor under finance leases, an amount representing the minimum lease payment receivables and initial direct costs is included in the statement of financial position as loans and accounts receivables. Any unguaranteed residual value is also recognized at the inception of the lease. The difference between the sum of the minimum lease payment receivables, initial direct costs, the unguaranteed residual value and their present value is recognized as unearned finance income. Unearned finance income is recognized over the period of the lease using the effective interest rate method.

Leases where substantially all the rewards and risks of ownership of assets remain with the lessor are accounted for as operating leases. Where the Group is the lessor, assets leased by the Group under operating leases are included in non-current assets, and rentals receivable under the operating leases are credited to the statement of profit or loss on the straight-line basis over the lease terms. Where the Group is the lessee, rentals payable under operating leases net of any incentives received from the lessor are charged to the statement of profit or loss on the straight-line basis over the lease terms.

Investments and other financial assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, as financial assets at fair value through profit or loss, loans and receivables and available-for-sale financial investments, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. When financial assets are recognized initially, they are measured at fair value plus transaction costs that are attributable to the acquisition of the financial assets, except in the case of financial assets recorded at fair value through profit or loss.

All regular way purchases and sales of financial assets are recognized on the trade date, that is, the date that the Group commits to purchase or sell the asset. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace.

Subsequent measurement

The subsequent measurement of financial assets depends on their classification as follows:

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets held for trading and financial assets designated upon initial recognition as at fair value through profit or loss. Financial assets are classified as held for trading if they are acquired for the purpose of sale in the near term. Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments as defined by HKAS 39.

Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with positive net changes in fair value presented as other income and gains and negative net changes in fair value presented as finance costs in the statement of profit or loss. These net fair value changes do not include any dividends or interest earned on these financial assets, which are recognized in accordance with the policies set out for "Revenue recognition" below.

Financial assets designated upon initial recognition as at fair value through profit or loss are designated at the date of initial recognition and only if the criteria in HKAS 39 are satisfied.

Derivatives embedded in host contracts are accounted for as separate derivatives and recorded at fair value if their economic characteristics and risks are not closely related to those of the host contracts and the host contracts are not held for trading or designated as at fair value through profit or loss. These embedded derivatives are measured at fair value with changes in fair value recognized in the statement of profit or loss. Reassessment only occurs if there is either a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required or a reclassification of a financial asset out of the fair value through profit or loss category.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial measurement, such assets are subsequently measured at amortised cost using the effective interest rate method less any allowance for impairment. Amortised cost is calculated by taking into account any discount or premium on acquisition and includes fees or costs that are an integral part of the effective interest rate. The effective interest rate amortisation is included in revenue in the statement of profit or loss. The loss arising from impairment is recognized in the statement of profit or loss in administrative expenses.

Available-for-sale financial investments

Available-for-sale financial investments are non-derivative financial assets in listed and unlisted equity investments and debt securities. Equity investments classified as available for sale are those which are neither classified as held for trading nor designated as at fair value through profit or loss. Debt securities in this category are those which are intended to be held for an indefinite period of time and which may be sold in response to needs for liquidity or in response to changes in market conditions.

After initial recognition, available-for-sale financial investments are subsequently measured at fair value, with unrealised gains or losses recognized as other comprehensive income in the available-for-sale investment revaluation reserve until the investment is derecognized, at which time the cumulative gain or loss is recognized in the statement of profit or loss in other income, or until the investment is determined to be impaired, when the cumulative gain or loss is reclassified from the available-for-sale investment revaluation

reserve to the statement of profit or loss in other gains or losses. Interest and dividends earned whilst holding the available-for-sale financial investments are reported as interest income and dividend income, respectively and are recognized in the statement of profit or loss as other income in accordance with the policies set out for "Revenue recognition" below.

When the fair value of unlisted equity investments cannot be reliably measured because (a) the variability in the range of reasonable fair value estimates is significant for that investment or (b) the probabilities of the various estimates within the range cannot be reasonably assessed and used in estimating fair value, such investments are stated at cost less any impairment losses.

The Group evaluates whether the ability and intention to sell its available-for-sale financial assets in the near term are still appropriate. When, in rare circumstances, the Group is unable to trade these financial assets due to inactive markets, the Group may elect to reclassify these financial assets if management has the ability and intention to hold the assets for the foreseeable future or until maturity.

For a financial asset reclassified from the available-for-sale category, the fair value carrying amount at the date of reclassification becomes its new amortised cost and any previous gain or loss on that asset that has been recognized in equity is amortised to profit or loss over the remaining life of the investment using the effective interest rate. Any difference between the new amortised cost and the maturity amount is also amortised over the remaining life of the asset using the effective interest rate. If the asset is subsequently determined to be impaired, then the amount recorded in equity is reclassified to the statement of profit or loss.

Derecognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognized (i.e., removed from the Group's consolidated statement of financial position) when:

- the rights to receive cash flows from the asset have expired; or
- the Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a "pass-through" arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risk and rewards of ownership of the asset. When it has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the

Group continues to recognise the transferred asset to the extent of the Group's continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of the consideration that the Group could be required to repay.

Impairment of financial assets

The Group assesses at the end of each reporting period whether there is objective evidence that a financial asset or a group of financial assets is impaired. An impairment exists if one or more events that occurred after the initial recognition of the asset have an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated. Evidence of impairment may include indications that a debtor or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganization and observable data indicating that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

Financial assets carried at amortised cost

For financial assets carried at amortised cost, the Group first assesses whether impairment exists individually for financial assets that are individually significant, or collectively for financial assets that are not individually significant. If the Group determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is, or continues to be, recognized are not included in a collective assessment of impairment.

The amount of any impairment loss identified is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not yet been incurred). The present value of the estimated future cash flows is discounted at the financial asset's original effective interest rate (i.e., the effective interest rate computed at initial recognition).

The carrying amount of the asset is reduced through the use of an allowance account and the loss is recognized in the statement of profit or loss. Interest income continues to be accrued on the reduced carrying amount and is accrued using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss. Loans and receivables together with any associated allowance are written off when there is no realistic prospect of future recovery and all collateral has been realised or has been transferred to the Group.

If, in a subsequent period, the amount of the estimated impairment loss increases or decreases because of an event occurring after the impairment was recognized, the previously recognized impairment loss is increased or reduced by adjusting the allowance account. If a write-off is later recovered, the recovery is credited to the statement of profit or loss.

Available-for-sale financial investments

For available-for-sale financial investments, the Group assesses at the end of each reporting period whether there is objective evidence that an investment or a group of investments is impaired.

If an available-for-sale asset is impaired, an amount comprising the difference between its cost (net of any principal payment and amortisation) and its current fair value, less any impairment loss previously recognized in the statement of profit or loss, is removed from other comprehensive income and recognized in the statement of profit or loss.

In the case of equity investments classified as available for sale, objective evidence would include a significant or prolonged decline in the fair value of an investment below its cost. "Significant" is evaluated against the original cost of the investment and "prolonged" against the period in which the fair value has been below its original cost. Where there is evidence of impairment, the cumulative loss — measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that investment previously recognized in the statement of profit or loss — is removed from other comprehensive income and recognized in the statement of profit or loss. Impairment losses on equity instruments classified as available for sale are not reversed through the statement of profit or loss. Increases in their fair value after impairment are recognized directly in other comprehensive income.

The determination of what is "significant" or "prolonged" requires judgement. In making this judgement, the Group evaluates, among other factors, the duration or extent to which the fair value of an investment is less than its cost.

In the case of debt instruments classified as available for sale, impairment is assessed based on the same criteria as financial assets carried at amortised cost. However, the amount recorded for impairment is the cumulative loss measured as the difference between the amortised cost and the current fair value, less any impairment loss on that investment previously recognized in the statement of profit or loss. Future interest income continues to be accrued based on the reduced carrying amount of the asset and is accrued using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss. The interest income is recorded as part of revenue. Impairment losses on debt instruments are reversed through the statement of profit or loss if the subsequent increase in fair value of the instruments can be objectively related to an event occurring after the impairment loss was recognized in the statement of profit or loss.

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings, net of directly attributable transaction costs.

The Group's financial liabilities include trade and other payables, an amount due to related parties, derivative financial instruments and interest-bearing bank and other borrowings.

Subsequent measurement

The subsequent measurement of financial liabilities depends on their classification as follows:

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities are classified as held for trading if they are acquired for the purpose of repurchasing in the near term. This category includes derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedge relationships as defined by HKAS 39. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments. Gains or losses on liabilities held for trading are recognized in the statement of profit or loss. The net fair value gain or loss recognized in the statement of profit or loss does not include any interest charged on these financial liabilities.

Financial liabilities designated upon initial recognition as at fair value through profit or loss are designated at the date of initial recognition and only if the criteria of HKAS 39 are satisfied.

Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost, using the effective interest rate method unless the effect of discounting would be immaterial, in which case they are stated at cost. Gains and losses are recognized in the statement of profit or loss when the liabilities are derecognized as well as through the effective interest rate amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. The effective interest rate amortisation is included in cost of sales in the statement of profit or loss.

Derecognition of financial liabilities

A financial liability is derecognized when the obligation under the liability is discharged or cancelled, or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and a recognition of a new liability, and the difference between the respective carrying amounts is recognized in the statement of profit or loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if, and only if, there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

Derivative financial instruments

Initial recognition and subsequent measurement

The Group uses derivative financial instruments, such as interest rate swaps, to hedge its interest rate risk. Such derivative financial instruments are initially recognized at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value. Derivatives are carried as assets when the fair value is positive and as liabilities when the fair value is negative.

Any gains or losses arising from changes in fair value of derivatives are taken directly to the statement of profit or loss, except for the effective portion of cash flow hedges, which is recognized in other comprehensive income and later reclassified to profit or loss when the hedged item affects profit or loss.

Current versus non-current classification

Derivative instruments that are not designated as effective hedging instruments are classified as current or non-current or separated into a current or non-current portion based on an assessment of the facts and circumstances (i.e., the underlying contracted cash flows).

- (a) Where the Group will hold a derivative as an economic hedge (and does not apply hedge accounting) for a period beyond 12 months after the end of the reporting period, the derivative is classified as non-current (or separated into current and non-current portions) consistently with the classification of the underlying item.
- (b) Embedded derivatives that are not closely related to the host contract are classified consistently with the cash flows of the host contract.
- (c) Derivative instruments that are designated as, and are effective hedging instruments, are classified consistently with the classification of the underlying hedged item. The derivative instruments are separated into current portions and non-current portions only if a reliable allocation can be made.

Inventories

Inventories are goods valued at the lower of cost and net realisable value at the end of the reporting period. The cost of inventories issued is determined on the specific identification basis. The difference between the cost and the lower net realisable value is stated as a provision. Net realisable value is based on estimated selling prices less estimated costs to be incurred to completion and disposal.

Cash and cash equivalents

For the purpose of the consolidated statement of cash flows, cash and cash equivalents comprise cash on hand and demand deposits, and short term highly liquid investments that are readily convertible into known amounts of cash, are subject to an insignificant risk of changes in value, and have a short maturity of generally within three months when acquired, less bank overdrafts which are repayable on demand and form an integral part of the Group's cash management.

For the purpose of the statement of financial position, cash and cash equivalents comprise cash on hand and at banks, including term deposits which have a short maturity of generally within three months when acquired and assets similar in nature to cash, which are not restricted as to use.

Provisions

A provision is recognized when a present obligation (legal or constructive) has arisen as a result of a past event and it is probable that a future outflow of resources will be required to settle the obligation, provided that a reliable estimate can be made of the amount of the obligation.

When the effect of discounting is material, the amount recognized for a provision is the present value at the end of the reporting period of the future expenditures expected to be required to settle the obligation. The increase in the discounted present value amount arising from the passage of time is included in finance costs in the statement of profit or loss.

Income tax

Income tax comprises current and deferred tax. Income tax relating to items recognized outside profit or loss is recognized outside profit or loss, either in other comprehensive income or directly in equity.

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period, taking into consideration interpretations and practices prevailing in the countries in which the Group operates.

Deferred tax is provided, using the liability method, on all temporary differences at the end of the reporting period between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognized for all taxable temporary differences, except:

- when the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of taxable temporary differences associated with investments in subsidiaries, associates and joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognized for all deductible temporary differences, the carryforward of unused tax credits and any unused tax losses. Deferred tax assets are recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, the carryforward of unused tax credits and unused tax losses can be utilised, except:

- when the deferred tax asset relating to the deductible temporary differences arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of deductible temporary differences associated with investments in subsidiaries, associates and joint ventures, deferred tax assets are only recognized to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognized deferred tax assets are reassessed at the end of each reporting period and are recognized to the extent that it has become probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Government grants

Government grants are recognized at their fair value where there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. When the grant relates to an expense item, it is recognized as income on a systematic basis over the periods that the costs, which it is intended to compensate, are expensed.

Revenue recognition

Revenue is recognized when it is probable that the economic benefits will flow to the Group and when the revenue can be measured reliably, on the following bases:

- (a) finance lease income, on an accrual basis using the effective interest method by applying the rate that exactly discounts the estimated future cash receipts through the expected life of the net investment of finance lease or a shorter period, when appropriate, to the net carrying amount of the net investment of finance lease;
- (b) from the rendering of services, income is recognized when the services have been rendered and the revenue can be reasonably estimated and deferred revenue is recorded as liability when the payments have been made in advance by customers for services yet to be rendered as at each reporting date and recognized as income when the services have been rendered and the revenue can be reasonably estimated;
- (c) from the sale of goods, when the significant risks and rewards of ownership have been transferred to the buyer, provided that the Group maintains neither managerial involvement to the degree usually associated with ownership, nor effective control over the goods sold;
- (d) operating lease income, on a time proportion basis over the lease terms. Contingent rent is recognized as income in the period in which it is earned;

- (e) dividend income, when the shareholders' right to receive payment has been established.

Share-based payments

The Company operates a share award scheme for the purpose of providing incentives and rewards to eligible participants who contribute to the success of the Group's operations. Employees (including directors) of the Group receive remuneration in the form of share-based payments, whereby employees render services as consideration for equity instruments ("equity-settled transactions").

The cost of equity-settled transactions with employees is measured by reference to the fair value at the date at which they are granted. The fair value is determined by an external valuer using the market approach, further details of which are given in note 29 to the Financial Information.

The cost of equity-settled transactions is recognized, together with a corresponding increase in equity, over the period in which the performance and/or service conditions are fulfilled in employee benefit expense. The cumulative expense recognized for equity-settled transactions at the end of each reporting period until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest. The charge or credit to the statement of profit or loss for a period represents the movement in the cumulative expense recognized as at the beginning and end of that period.

No expense is recognized for awards that do not ultimately vest, except for equity-settled transactions where vesting is conditional upon a market or non-vesting condition, which are treated as vesting irrespective of whether or not the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied.

Where the terms of an equity-settled award are modified, as a minimum an expense is recognized as if the terms had not been modified, if the original terms of the award are met. In addition, an expense is recognized for any modification that increases the total fair value of the share-based payments, or is otherwise beneficial to the employee as measured at the date of modification.

Where an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognized for the award is recognized immediately. This includes any award where non-vesting conditions within the control of either the Group or the employee are not met. However, if a new award is substituted for the cancelled award, and is designated as a replacement award on the date that it is granted, the cancelled and new awards are treated as if they were a modification of the original award, as described in the previous paragraph.

Other employee benefits*Pension obligations*

The Group operates a defined contribution Mandatory Provident Fund retirement scheme (the “MPF” Scheme”) under the Mandatory Provident Fund Schemes Ordinance in Hong Kong for those employees who are eligible to participate in the MPF Scheme. Contributions are made based on a percentage of the employees’ basic salaries and are charged to the statement of profit or loss as they become payable in accordance with the rules of the MPF Scheme. The assets of the MPF Scheme are held separately from those of the Group in an independently administered fund. The Group’s employer contributions vest fully with the employees when contributed into the MPF Scheme.

The employees of the Group which operates in Mainland China are required to participate in a central pension scheme operated by the local municipal government. The entities are required to contribute a certain percentage of their payroll costs to the central pension scheme. The contributions are charged to the statement of profit or loss as they become payable in accordance with the rules of the central pension scheme.

Housing funds, medical insurance and other social insurance

Employees of the Group in Mainland China are entitled to participate in various government-supervised housing funds, medical insurance and other employee social insurance plans. The Group contributes on a monthly basis to these funds based on certain percentages of the salaries of the employees, subject to certain ceiling. The Group’s liability in respect of these funds is limited to the contributions payable in each period.

Foreign currencies

Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency. The functional currency of the Company is US\$, while the financial statements are presented in RMB. The directors of the Company are of the opinion that consolidated financial statements of the Group presented in RMB will provide shareholders with a more accurate reflection of the Group’s underlying financial performance and position because the Group mainly conducts its business in Mainland China and the revenues, profits and cash flows are primarily generated in RMB and are expected to remain principally denominated in RMB in the future.

Foreign currency transactions recorded by the entities in the Group are initially recorded using their respective functional currency rates ruling at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency rates of exchange ruling at the end of the reporting period. All differences arising on settlement or translation of monetary items are taken to the statement of profit or loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was measured. The gain or loss arising on translation of a non-monetary item is treated in line with the recognition of the gain or loss on change in fair value of the item (i.e., translation difference on the item whose fair value gain or loss is recognized in other comprehensive income or profit or loss is also recognized in other comprehensive income or profit or loss, respectively).

The functional currencies of the Company and certain of its subsidiaries are currencies other than RMB. As at the end of each reporting period, the assets and liabilities of these entities are translated into the presentation currency of the Company at the exchange rates ruling at the end of each reporting period and their statements of profit or loss are translated into RMB at the weighted average exchange rates for the year. The resulting exchange differences are recognized in other comprehensive income and accumulated in the exchange fluctuation reserve. On disposal of a foreign operation, the component of other comprehensive income relating to that particular foreign operation is recognized in the statement of profit or loss.

For the purpose of the consolidated statement of cash flows, the cash flows of the Company and subsidiaries whose functional currency is other than RMB are translated into RMB at the exchange rates ruling at the dates of the cash flows. Frequently recurring cash flows of entities with a functional currency other than RMB which arise throughout the year are translated into RMB at the weighted average exchange rates for the year.

4. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

The preparation of the Financial Information requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and their accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amounts of the assets or liabilities affected in the future.

Judgements

In the process of applying the Group's accounting policies, management has made the following judgements, apart from those involving estimations, which have the most significant effect on the amounts recognized in the Financial Information:

Classification between finance leases and operating leases

Leases are required to be classified as either finance leases (which transfer substantially all the risks and rewards of ownership, and give rise to asset and liability recognition by the lessee and a receivable by the lessor) and operating leases (which result in expense recognition by the lessee, with the asset remaining recognized by the lessor).

The determination of whether the Group has transferred substantially all the risks and rewards incidental to ownership depends on an assessment of the relevant arrangements relating to the lease and this has involved critical judgements by management.

Estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below.

Impairment of non-financial assets (other than goodwill)

The Group assesses whether there are any indicators of impairment for all non-financial assets at the end of each reporting period. Non-financial assets are tested for impairment when there are indicators that the carrying amounts may not be recoverable. An impairment exists when the carrying value of an asset or a cash-generating unit exceeds its recoverable amount, which is the higher of its fair value less costs to sell and its value in use. The calculation of the fair value less costs to sell is based on available data from binding sales transactions in an arm's length transaction of similar assets or observable market prices less incremental costs for disposing of the asset. When value in use calculations are undertaken, management must estimate the expected future cash flows from the asset or cash-generating unit and choose a suitable discount rate in order to calculate the present value of those cash flows.

Deferred tax assets

Deferred tax assets are recognized for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognized, based upon the likely timing and level of future taxable profits together with future tax planning strategies.

Provision for bad and doubtful receivables

Provision for bad and doubtful receivables is made based on the assessment of the recoverability of loans and receivables. The identification of doubtful receivables requires management's judgement and estimation. The management measures and monitors the asset quality of the lease receivables portfolio by classifying the lease receivables using the 5-category classification system by referring to guidelines promulgated by the China Banking Regulatory Commission relating to asset quality for financial institutions under its regulation. And thereon, for the first two categories, i.e., Pass and Special Mention, the lease receivables are regarded as performing assets as no objective evidence of impairment exists individually and they are collectively assessed for impairment; while lease receivables in the remaining 3 categories i.e., Substandard, Doubtful and Loss, are regarded as non-performing assets and are measured for impairment individually since objective evidence of impairment exists

individually for such lease receivables. Where the actual outcome or expectation in future is different from the original estimate, these differences will have an impact on the carrying amounts of the receivables and doubtful debt expenses/write-back in the period in which such estimate is changed.

Fair value of financial instruments

For financial instruments where there is no active market, the fair value is determined using appropriate valuation techniques. Such techniques include using recent arm's length market transactions; reference to the current market value of another instrument which is substantially the same; a discounted cash flow analysis; and option pricing models or other valuation models.

Valuation techniques make use of observable market information to the greatest extent, however, when the observable market information cannot be obtained, management will have to make assumptions on the credit risk, market volatility and correlations of the Group and the counterparties, and any changes in these underlying assumptions will affect the fair value of financial instruments.

5. OPERATING SEGMENT INFORMATION

The Group is principally engaged in providing financing to its customers under finance lease arrangements, the provision of advisory services, sale of medical equipment, and medical equipment leases under operating lease arrangements. For management purposes, the aforesaid businesses are integral and the Group has not organised into different operating segments.

Geographical information

- (a) All the sales of the operations to external customers of the Group are generated in Mainland China.
- (b) All non-current assets of the operations above based on the locations of the assets and exclude financial instruments and deferred tax assets are located in Mainland China.

Information about a major customer

There was no single customer who contributed 10% or more of the total revenue to the Group during the Relevant Periods.

6. REVENUE, OTHER INCOME AND GAINS

	Note	Year ended December 31,		
		2012	2013	2014
		RMB'000	RMB'000	RMB'000
Revenue				
Finance lease income		333,278	588,212	1,043,888
Service fee income		248,632	370,501	487,689
Operating lease income		16,941	19,974	17,076
Sale of goods		12,338	14,705	18,425
Others		4	13	438
Business tax and surcharges		(17,867)	(11,947)	(14,834)
		<u>593,326</u>	<u>981,458</u>	<u>1,552,682</u>
Other income and gains				
Interest income		3,421	1,593	2,482
Foreign exchange gain		2,914	49,887	—
Derivative financial instruments - transactions not qualifying as hedges:				
- Unrealised fair value gains, net		—	2,562	4,079
Government grants	6a	—	646	4,756
Others		58	199	4,102
		<u>6,393</u>	<u>54,887</u>	<u>15,419</u>

6a. GOVERNMENT GRANTS

	Year ended December 31,		
	2012	2013	2014
	RMB'000	RMB'000	RMB'000
Value Added Tax ("VAT") refund	—	—	4,516
Others	—	646	240
	<u>—</u>	<u>646</u>	<u>4,756</u>

7. PROFIT BEFORE TAX

	Year ended December 31,		
	2012	2013	2014
	RMB'000	RMB'000	RMB'000
Cost of borrowings included in cost of sales	192,364	325,449	596,954
Cost of inventories sold	4,634	7,759	8,311
Cost of operating leases	7,783	15,411	14,226
Other costs	—	—	103
Depreciation	777	928	924
Rental expenses	7,137	10,937	14,802
Auditors' remuneration	1,093	1,467	1,252
Employee benefit expense (including directors' remuneration (note 8))			
- Wages and salaries	55,000	95,936	124,470
- Equity-settled share-based compensation expenses (note 29)	—	—	4,742
- Pension scheme contributions	4,340	5,099	6,154
- Other employee benefits	7,789	9,930	15,990
	<u>67,129</u>	<u>110,965</u>	<u>151,356</u>
Impairment of loans and accounts receivables	21,919	78,286	85,854
Foreign exchange (gain)/loss	(2,914)	(49,887)	13,129
Derivative financial instruments— transactions not qualifying as hedges:			
- Unrealised fair value losses/(gains), net	1,893	(2,562)	(4,079)
- Realised fair value losses, net	6,426	7,974	7,110

8. DIRECTORS' AND CHIEF EXECUTIVE'S REMUNERATION

Directors' and chief executive's remuneration for the Relevant Periods, disclosed pursuant to the Listing Rules and section 78 of Schedule 11 to the Hong Kong Companies Ordinance (Cap. 622), with reference to section 161 of the predecessor Hong Kong Companies Ordinance (Cap. 32), is as follows:

	Year ended December 31,		
	2012	2013	2014
	RMB'000	RMB'000	RMB'000
Fees	—	—	—
Other emoluments:			
Salaries, allowances and benefits in kind	1,000	1,250	1,338
Performance related bonuses*	666	917	1,165
Equity-settled share-based compensation expenses	—	—	2,220
Pension scheme contributions	33	36	43
	<u>1,699</u>	<u>2,203</u>	<u>4,766</u>

* Certain executive directors of the Company are entitled to bonus payments which are determined based on the business performance of the Group.

During the year ended December 31, 2014, certain executive directors were granted restricted shares ("Restricted Shares") by the shareholders CITIC Capital Leasing Ltd. ("CITIC Capital") and Jublon Capital Limited ("Jublon") of the Company, in respect of their services to the Group, further details of which are set out in note 29 to this Financial Information. The compensation expense for the Restricted Shares granted which is equal to the difference between the fair value of the shares at the grant date and considerations paid by the executive directors, should be recognized in the statement of profit or loss over the vesting period. The amount of compensation expense included in the financial statements for the year ended December 31, 2014 is included in the above directors' and chief executive's remuneration disclosures.

(a) Independent non-executive directors

There was no independent non-executive director during the Relevant Periods.

(b) Executive director, non-executive directors and the chief executive

	Fee	Salaries, allowances and benefits in kind	Performance related bonuses	Equity-settled share-based compensation expense	Pension scheme contributions	Total remuneration
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
2012						
Executive director:						
Mr. Guo Weiping(i)	—	1,000	666	—	33	1,699
Non-executive director:						
Mr. Zhang Yichen.	—	—	—	—	—	—
Mr. Jiang Xin	—	—	—	—	—	—
Mr. Liu Dongsheng.	—	—	—	—	—	—
Mr. Liu Xiaoping	—	—	—	—	—	—
Mr. Liu Zhiyong	—	—	—	—	—	—
	<u>—</u>	<u>1,000</u>	<u>666</u>	<u>—</u>	<u>33</u>	<u>1,699</u>
2013						
Executive director:						
Mr. Guo Weiping(i)	—	1,250	917	—	36	2,203
Non-executive director:						
Mr. Zhang Yichen.	—	—	—	—	—	—
Mr. Jiang Xin	—	—	—	—	—	—
Mr. Liu Dongsheng.	—	—	—	—	—	—
Mr. Liu Xiaoping	—	—	—	—	—	—
Mr. Liu Zhiyong	—	—	—	—	—	—
	<u>—</u>	<u>1,250</u>	<u>917</u>	<u>—</u>	<u>36</u>	<u>2,203</u>
2014						
Executive directors:						
Mr. Guo Weiping (i)	—	1,250	1,100	1,903	40	4,293
Ms. Peng Jiahong (ii)	—	88	65	317	3	473
Non-executive director:						
Mr. Zhang Yichen.	—	—	—	—	—	—
Mr. Jiang Xin	—	—	—	—	—	—
Mr. Liu Dongsheng.	—	—	—	—	—	—
Mr. Liu Xiaoping	—	—	—	—	—	—
Mr. Liu Zhiyong	—	—	—	—	—	—
Mr. Su Guang (ii)	—	—	—	—	—	—
	<u>—</u>	<u>1,338</u>	<u>1,165</u>	<u>2,220</u>	<u>43</u>	<u>4,766</u>

- (i) Chief executive
- (ii) Appointed on December 22, 2014

There was no arrangement under which a director or the chief executive waived or agreed to waive any remuneration during the Relevant Periods.

9. FIVE HIGHEST PAID EMPLOYEES

The five highest paid employees during the Relevant Periods included the executive director and chief executive, details of whose remuneration are set out in note 8 above. Details of the remuneration for the Relevant Periods of the remaining highest paid employees who are neither director nor chief executive of the Company are as follows:

	Year ended December 31,		
	2012	2013	2014
	RMB'000	RMB'000	RMB'000
Salaries, allowances and benefits in kind	1,823	2,412	1,853
Performance related bonuses	3,115	5,497	5,829
Equity-settled share-based compensation expenses . . .	—	—	476
Pension scheme contributions	115	127	98
	<u>5,053</u>	<u>8,036</u>	<u>8,256</u>

The number of non-director and non-chief executive highest paid employees whose remuneration fell within the following bands is as follows:

	Number of employees for the year ended December 31,		
	2012	2013	2014
Nil to HK\$1,000,000	—	—	—
HK\$1,000,001 to HK\$1,500,000	1	—	—
HK\$1,500,001 to HK\$2,000,000	3	2	—
HK\$2,000,001 to HK\$2,500,000	—	—	—
HK\$2,500,001 to HK\$3,000,000	—	—	1
HK\$3,000,001 to HK\$3,500,000	—	2	—
HK\$3,500,001 to HK\$4,000,000	—	—	1
HK\$4,000,001 to HK\$4,500,000	—	—	1
	<u>4</u>	<u>4</u>	<u>3</u>

During the year ended December 31, 2014, certain Restricted Shares were granted to 2 non-director and non-chief executive highest paid employees in respect of their services to the Group, further details of which are included in the disclosures in note 29 to the Financial Information. The compensation expense for the Restricted Shares granted which is equal to the difference between the fair value of the shares at the grant date and the consideration paid by these employees of the shares, should be recognized in the statement of profit or loss over the vesting period. The amount of compensation expense included in the financial statements for the year ended December 31, 2014 is included in the above non-director and non-chief executive highest paid employees' remuneration disclosures.

10. INCOME TAX EXPENSE

	2012	2013	2014
	RMB'000	RMB'000	RMB'000
Current — Hong Kong			
Charge for the year	—	—	193
Current — Mainland China			
Charge for the year	63,171	119,183	160,779
Underprovision in prior years	887	456	13
Deferred tax (note 25)	<u>(2,562)</u>	<u>(14,033)</u>	<u>(6,541)</u>
Total tax charge for the year	<u>61,496</u>	<u>105,606</u>	<u>154,444</u>

Hong Kong profits tax has been provided at the rate of 16.5% on the estimated assessable profits arising in Hong Kong for the year ended December 31, 2014. No provision for Hong Kong profits tax has been made as the Group had no assessable profits arising in Hong Kong for the years ended December 31, 2012 and 2013.

The income tax provision of the Group in respect of its operations in Mainland China has been calculated at the applicable tax rate of 25% on the estimated assessable profits for Relevant Periods, based on existing legislation, interpretations and practices in respect thereof.

The subsidiaries incorporated in the Cayman Islands are exempted from income tax in the Cayman Islands.

A reconciliation of the tax charge applicable to profit before tax using the statutory/applicable rates for the jurisdictions in which the Company and its subsidiaries are domiciled to the tax charge at the effective tax rate is as follows:

	<u>2012</u>	<u>2013</u>	<u>2014</u>
	<u>RMB'000</u>	<u>RMB'000</u>	<u>RMB'000</u>
Profit before tax	239,148	418,344	611,082
At PRC statutory income tax rate of 25%	59,787	104,586	152,771
Lower tax rate enacted by local authority	(14)	39	(79)
Expenses not deductible for tax purpose	862	448	900
Income not subject to tax	(26)	—	(1)
Adjustment on current income tax in respect of prior years	887	456	13
Unrecognized tax losses	—	77	—
Utilisation of previously unrecognized tax losses	—	—	(77)
Effect of withholding tax on the distributable profits of the Group's PRC subsidiaries	—	—	917
Income tax expense as reported in the consolidated statement of income	<u>61,496</u>	<u>105,606</u>	<u>154,444</u>

11. PROFIT/(LOSS) ATTRIBUTABLE TO OWNERS OF THE PARENT

The consolidated profit attributable to owners of the parent for the years ended December 31, 2012, 2013 and 2014 includes a profit of RMB157,000, a loss of RMB466,000 and a profit of RMB9,230,000, respectively, which has been dealt with in the financial statements of the Company (note 28(b)).

12. DIVIDENDS

	<u>2012</u>	<u>2013</u>	<u>2014</u>
	<u>RMB'000</u>	<u>RMB'000</u>	<u>RMB'000</u>
Dividends	<u>25,310</u>	<u>—</u>	<u>8,264</u>

The rates of dividends are not presented as such information is not meaningful for the purpose of this report.

13. EARNINGS PER SHARE

Basic earnings per share is calculated by dividing the profit attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares in issue during the Relevant Periods. In determining the weighted average number of ordinary shares during the Relevant Periods, the 62,525,600 ordinary shares of the Company issued to Genertec HK upon the incorporation of the Company during the Reorganization were treated as if these ordinary shares had been in issue since January 1, 2012 and the share subdivision as described in note 41(b)) to the Financial Information has been adjusted retrospectively to the numbers of ordinary shares issued during the Relevant Periods.

	<u>2012</u>	<u>2013</u>	<u>2014</u>
	<u>RMB</u>	<u>RMB</u>	<u>RMB</u>
Profit attributable to ordinary equity holders of the parent	<u>177,652,000</u>	<u>312,738,000</u>	<u>456,638,000</u>
	<u>2012</u>	<u>2013</u>	<u>2014</u>
Weighted average number of ordinary shares in issue	<u>473,480,850</u>	<u>612,996,080</u>	<u>900,467,450</u>
	<u>2012</u>	<u>2013</u>	<u>2014</u>
Basic and diluted earnings per share	<u>0.38</u>	<u>0.51</u>	<u>0.51</u>

The Company did not have any dilutive potential ordinary shares outstanding during the Relevant Periods. Diluted earnings per share is equal to the basic earnings per share.

14. PROPERTY, PLANT AND EQUIPMENT

Group

December 31, 2012

	Transportation equipment	Office equipment	Electronic equipment	Medical equipment	Others	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
At January 1, 2012:						
Cost	1,824	475	3,043	71,608	330	77,280
Accumulated depreciation	<u>(209)</u>	<u>(219)</u>	<u>(1,336)</u>	<u>(8,679)</u>	<u>(97)</u>	<u>(10,540)</u>
Net carrying amount	<u>1,615</u>	<u>256</u>	<u>1,707</u>	<u>62,929</u>	<u>233</u>	<u>66,740</u>
At January 1, 2012, net of accumulated depreciation	1,615	256	1,707	62,929	233	66,740
Additions	644	1	224	1,180	179	2,228
Depreciation provided during the year	<u>(190)</u>	<u>(87)</u>	<u>(446)</u>	<u>(7,783)</u>	<u>(54)</u>	<u>(8,560)</u>
At December 31, 2012, net of accumulated depreciation	<u>2,069</u>	<u>170</u>	<u>1,485</u>	<u>56,326</u>	<u>358</u>	<u>60,408</u>
At December 31, 2012:						
Cost	2,468	476	3,267	72,788	509	79,508
Accumulated depreciation	<u>(399)</u>	<u>(306)</u>	<u>(1,782)</u>	<u>(16,462)</u>	<u>(151)</u>	<u>(19,100)</u>
Net carrying amount	<u>2,069</u>	<u>170</u>	<u>1,485</u>	<u>56,326</u>	<u>358</u>	<u>60,408</u>

December 31, 2013

	Transportation equipment	Office equipment	Electronic equipment	Medical equipment	Others	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
At January 1, 2013:						
Cost	2,468	476	3,267	72,788	509	79,508
accumulated depreciation. . .	(399)	(306)	(1,782)	(16,462)	(151)	(19,100)
Net carrying amount	<u>2,069</u>	<u>170</u>	<u>1,485</u>	<u>56,326</u>	<u>358</u>	<u>60,408</u>
At January 1, 2013, net of						
accumulated depreciation. . .	2,069	170	1,485	56,326	358	60,408
Additions	—	50	527	59,814	5	60,396
Depreciation provided during						
the year	(296)	(85)	(480)	(15,411)	(67)	(16,339)
At December 31, 2013, net of						
accumulated depreciation. . .	<u>1,773</u>	<u>135</u>	<u>1,532</u>	<u>100,729</u>	<u>296</u>	<u>104,465</u>
At December 31, 2013:						
Cost	2,468	526	3,794	132,602	514	139,904
Accumulated depreciation . .	(695)	(391)	(2,262)	(31,873)	(218)	(35,439)
Net carrying amount	<u>1,773</u>	<u>135</u>	<u>1,532</u>	<u>100,729</u>	<u>296</u>	<u>104,465</u>

December 31, 2014

	Transportation equipment	Office equipment	Electronic equipment	Medical equipment	Others	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
At January 1, 2014:						
Cost	2,468	526	3,794	132,602	514	139,904
Accumulated depreciation	(695)	(391)	(2,262)	(31,873)	(218)	(35,439)
Net carrying amount	<u>1,773</u>	<u>135</u>	<u>1,532</u>	<u>100,729</u>	<u>296</u>	<u>104,465</u>
At January 1, 2014, net of accumulated depreciation	1,773	135	1,532	100,729	296	104,465
Additions	173	79	415	—	74	741
Depreciation provided during the year	(312)	(66)	(452)	(14,248)	(72)	(15,150)
At December 31, 2014, net of accumulated depreciation	<u>1,634</u>	<u>148</u>	<u>1,495</u>	<u>86,481</u>	<u>298</u>	<u>90,056</u>
At December 31, 2014:						
Cost	2,641	605	4,209	132,602	588	140,645
Accumulated depreciation	(1,007)	(457)	(2,714)	(46,121)	(290)	(50,589)
Net carrying amount	<u>1,634</u>	<u>148</u>	<u>1,495</u>	<u>86,481</u>	<u>298</u>	<u>90,056</u>

15. INVESTMENTS IN SUBSIDIARIES

Company

	2012	2013	2014
	RMB'000	RMB'000	RMB'000
Unlisted shares, at cost	<u>770,597</u>	<u>747,475</u>	<u>1,477,207</u>

16. AVAILABLE-FOR-SALE INVESTMENTS

Group

	2012	2013	2014
	RMB'000	RMB'000	RMB'000
Asset-backed securities	<u>—</u>	<u>—</u>	<u>20,955</u>

As at December 31, 2014, the Group invested in asset-backed securities issued by a structured entity. The description of the asset-backed securities and the structured entity is disclosed in note 37 and note 38 to the Financial Information.

17. DERIVATIVE FINANCIAL INSTRUMENTS

Group

	2012	2013	2014
	RMB'000	RMB'000	RMB'000
Interest rate swaps	<u>8,595</u>	<u>5,807</u>	<u>1,780</u>

As at December 31, 2012, 2013 and 2014, the Group's borrowings with floating interest rates determined with reference to LIBOR were measured at amortised cost amounting to US\$149,000,000, US\$255,000,000 and US\$165,669,000, respectively. To manage the interest rate exposure arising from these borrowings, the Company entered into interest rate swap contracts with certain banks in Hong Kong/Mainland China accordingly. As at December 31, 2012, 2013 and 2014, the total nominal amount of interest rate swap contracts was US\$149,000,000, US\$255,000,000 and US\$165,669,000, respectively. Changes in the fair value of the financial derivatives amounting to a loss of RMB1,893,000, a gain of RMB2,562,000 and a gain of RMB4,079,000 were credited/charged to the statement of profit or loss during the years ended December 31, 2012, 2013 and 2014, respectively.

18. INVENTORIES

Group

	2012	2013	2014
	RMB'000	RMB'000	RMB'000
Medical equipment	<u>3,775</u>	<u>3,321</u>	<u>3,119</u>

19. LOANS AND ACCOUNTS RECEIVABLES

Group

	2012	2013	2014
	RMB'000	RMB'000	RMB'000
Loans and accounts receivables due within 1 year	1,534,912	2,584,306	4,167,986
Loans and accounts receivables due after 1 year	<u>3,724,072</u>	<u>6,980,698</u>	<u>11,471,343</u>
	<u>5,258,984</u>	<u>9,565,004</u>	<u>15,639,329</u>

Company

	2012	2013	2014
	RMB'000	RMB'000	RMB'000
Accounts receivable due within 1 year	<u>—</u>	<u>—</u>	<u>3,355</u>

19a. Loans and accounts receivables by nature

Group

	2012	2013	2014
	RMB'000	RMB'000	RMB'000
Lease receivables (note 19b)*	6,301,989	11,731,697	19,203,593
Less: Unearned finance income	<u>(1,010,777)</u>	<u>(2,033,336)</u>	<u>(3,353,454)</u>
Net lease receivables (note 19b)*	5,291,212	9,698,361	15,850,139
Accounts receivable (note 19d)*	<u>23,102</u>	<u>259</u>	<u>8,660</u>
Subtotal of loans and accounts receivables	<u>5,314,314</u>	<u>9,698,620</u>	<u>15,858,799</u>
Less:			
Provision for lease receivables (note 19c)	<u>(55,330)</u>	<u>(133,616)</u>	<u>(219,470)</u>
	<u>5,258,984</u>	<u>9,565,004</u>	<u>15,639,329</u>

Company

	2012	2013	2014
	RMB'000	RMB'000	RMB'000
Accounts receivable (note 19d)*	<u>—</u>	<u>—</u>	<u>3,355</u>

* These balances included balances with related parties which are disclosed in note 19e to the Financial Information.

19b(1). An aged analysis of lease receivables, determined based on the age of the receivables since the effective dates of the relevant lease contracts, as at the end of each reporting period is as follows:

Group

	2012	2013	2014
	RMB'000	RMB'000	RMB'000
Lease receivables			
Within 1 year	4,000,404	7,328,876	10,410,866
1 to 2 years	1,559,572	3,028,500	6,024,876
2 to 3 years	517,812	1,009,826	2,017,364
3 years and beyond	<u>224,201</u>	<u>364,495</u>	<u>750,487</u>
Total	<u>6,301,989</u>	<u>11,731,697</u>	<u>19,203,593</u>
Net lease receivables			
Within 1 year	3,252,975	5,904,500	8,325,909
1 to 2 years	1,363,289	2,568,654	5,072,871
2 to 3 years	468,568	891,124	1,784,898
3 years and beyond	<u>206,380</u>	<u>334,083</u>	<u>666,461</u>
Total	<u>5,291,212</u>	<u>9,698,361</u>	<u>15,850,139</u>

19b(2). The table below illustrates the gross and net amounts of lease receivables the Group expects to receive in the following three consecutive accounting years:

Group

	2012	2013	2014
	RMB'000	RMB'000	RMB'000
Lease receivables			
Due within 1 year	1,954,458	3,439,595	5,550,908
Due in 1 to 2 years	1,632,257	3,029,942	4,926,903
Due in 2 to 3 years	1,288,515	2,497,656	4,128,943
Due after 3 years and beyond	1,426,759	2,764,504	4,596,839
Total	6,301,989	11,731,697	19,203,593
Net lease receivables			
Due within 1 year	1,538,840	2,627,815	4,243,709
Due in 1 to 2 years	1,340,473	2,425,893	3,920,617
Due in 2 to 3 years	1,109,915	2,118,114	3,495,340
Due after 3 years and beyond	1,301,984	2,526,539	4,190,473
Total	5,291,212	9,698,361	15,850,139

19c. CHANGE IN PROVISION FOR LEASE RECEIVABLES**Group**

	Individually assessed			Collectively assessed			Total		
	2012	2013	2014	2012	2013	2014	2012	2013	2014
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
At beginning of year	15,743	13,189	44,251	17,668	42,141	89,365	33,411	55,330	133,616
Charge/ (reversal) for the year	(2,554)	31,062	12,948	24,473	47,224	72,906	21,919	78,286	85,854
At end of year	13,189	44,251	57,199	42,141	89,365	162,271	55,330	133,616	219,470

Note:

As at December 31, 2012, 2013 and 2014, the amount of the gross lease receivables pledged as security for the Group's borrowings amounted to RMB1,405,728,000, RMB2,969,684,000 and RMB6,321,196,000, respectively (see note 24).

19d. An aged analysis of accounts receivable, determined based on the age of receivables since the recognition date of the account receivable, as at the end of each reporting period is as follows:

Group

	<u>2012</u>	<u>2013</u>	<u>2014</u>
	RMB'000	RMB'000	RMB'000
Within 1 year	22,801	1	8,660
More than 1 year	<u>301</u>	<u>258</u>	<u>—</u>
Total	<u><u>23,102</u></u>	<u><u>259</u></u>	<u><u>8,660</u></u>

Company

	<u>2012</u>	<u>2013</u>	<u>2014</u>
	RMB'000	RMB'000	RMB'000
Within 1 year	—	—	3,355
More than 1 year	<u>—</u>	<u>—</u>	<u>—</u>
Total	<u><u>—</u></u>	<u><u>—</u></u>	<u><u>3,355</u></u>

Accounts receivable were arising from the business of sale of medical equipment and advisory services. Except for some specific contracts, the Group generally does not provide credit term to customers.

19e. BALANCES WITH RELATED PARTIES

The balances of loans and account receivables of the Group included the balances with related parties as follows:

<u>Name</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
	RMB'000	RMB'000	RMB'000
Lease receivables:			
Harbin Measuring & Cutting Tool Group Co., Ltd.	57,205	41,985	27,287
Changsha Haliang Kaishuai Precision Machinery Co., Ltd.	<u>22,002</u>	<u>16,148</u>	<u>10,495</u>
Net lease receivables:			
Harbin Measuring & Cutting Tool Group Co., Ltd. (i)	50,701	38,367	25,805
Changsha Haliang Kaishuai Precision Machinery Co., Ltd. (i)	<u>19,501</u>	<u>14,757</u>	<u>9,925</u>
Accounts receivable:			
China National Instruments Import & Export (Group) Corporation (ii)	—	—	1,805
Paryocean (Asia Pacific) International Company Ltd. (ii)	<u>5,013</u>	<u>—</u>	<u>—</u>

The above related parties are subsidiaries of Genertec Group.

- (i) Balances of net lease receivables were interest-bearing at an annual interest rate of 6.01%.
- (ii) The balances with the related parties are unsecured, interest-free and repayable on demand.

20. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

	Note	Group			Company		
		2012	2013	2014	2012	2013	2014
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Current:							
Prepayments		46,845	123,997	181	—	7	—
Other receivables		9,864	13,635	32,640	—	—	4
Due from related parties . . .	20a	—	1,576	1,912	—	444	23,329
		<u>56,709</u>	<u>139,208</u>	<u>34,733</u>	<u>—</u>	<u>451</u>	<u>23,333</u>
Non-current:							
Prepayments		129,624	181,105	3,950	—	—	—
Lease payable deposits . . .		—	—	16,604	—	—	—
Due from related parties . . .	20a	—	—	—	—	—	8,000
		<u>129,624</u>	<u>181,105</u>	<u>20,554</u>	<u>—</u>	<u>—</u>	<u>8,000</u>
		<u>186,333</u>	<u>320,313</u>	<u>55,287</u>	<u>—</u>	<u>451</u>	<u>31,333</u>

20a. BALANCES WITH RELATED PARTIES

Particulars of an amount due from related parties are as follows:

	Group			Company		
	2012	2013	2014	2012	2013	2014
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Genertec Finance Co., Ltd.	—	7	85	—	—	—
China National Instruments Import & Export (Group) Corporation	—	414	—	—	—	—
General Technology Group Property Management Ltd.	—	711	755	—	—	—
Genertec Italia s.r.l.	—	444	942	—	444	199
Paryocean Properties CO.,LTD . .	—	—	130	—	—	130
China Universal Leasing Co. Ltd.	—	—	—	—	—	31,000
	<u>—</u>	<u>1,576</u>	<u>1,912</u>	<u>—</u>	<u>444</u>	<u>31,329</u>

The above related parties are subsidiaries of Genertec Group.

The balances with the related parties are unsecured, interest-free and repayable within one year.

21. CASH AND CASH EQUIVALENTS AND RESTRICTED DEPOSITS

	Group			Company		
	2012	2013	2014	2012	2013	2014
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Cash and bank balances	371,441	441,785	529,496	158	5,685	87,131
Time deposits	580	1,590	24,577	—	—	—
	372,021	443,375	554,073	158	5,685	87,131
Less:						
Restricted deposits	64,041	124,377	100,504	—	—	—
Cash and cash equivalents	307,980	318,998	453,569	158	5,685	87,131

As at December 31, 2012, 2013 and 2014, the cash and bank balances of the Group denominated in RMB amounted to RMB370,365,000, RMB436,065,000 and RMB447,218,000, respectively. RMB is not freely convertible into other currencies, however, under Mainland China's Foreign Exchange Control Regulations and Administration of Settlement, Sale and Payment of Foreign Exchange Regulations, the Group is permitted to exchange RMB for other currencies through banks authorised to conduct foreign exchange business.

Cash at banks earns interest at either fixed or floating rates based on daily bank deposit rates.

As at December 31, 2012, 2013 and 2014, cash of RMB56,341,000, RMB116,677,000 and RMB100,504,000 was pledged for bank borrowings (see note 24).

As at December 31, 2012, 2013 and 2014, cash of RMB7,700,000, RMB7,700,000 and nil was pledged for interest rate swap transactions.

As at December 31, 2012, 2013 and 2014, cash of RMB109,790,000, RMB31,792,000 and RMB223,174,000 was deposited with the Group's related party Genertec Finance Co., Ltd.

22. TRADE AND BILLS PAYABLES

Group

	2012	2013	2014
	RMB'000	RMB'000	RMB'000
Bills payable	242,207	—	—
Trade payables	304,597	234,597	847,983
Due to related parties (note 22a)	250	—	108,439
	<u>547,054</u>	<u>234,597</u>	<u>956,422</u>

Company

	2012	2013	2014
	RMB'000	RMB'000	RMB'000
Due to related parties (note 22a)	—	—	759
	<u>—</u>	<u>—</u>	<u>759</u>

The trade payables are non-interest-bearing and are repayable within one year.

An aged analysis of the trade and bills payables as at the end of each reporting period, based on the invoice date, is as follow:

Group

	2012	2013	2014
	RMB'000	RMB'000	RMB'000
Within 1 year	469,258	180,088	900,577
1 to 2 years	14,114	8,212	6,005
2 to 3 years	20,270	3,135	4,163
Over 3 years	43,412	43,162	45,677
	<u>547,054</u>	<u>234,597</u>	<u>956,422</u>

22a. BALANCES WITH RELATED PARTIES

Particulars of an amount due to related parties are as follows:

	Group			Company		
	2012	2013	2014	2012	2013	2014
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Bills payable:						
Genertec Finance Co., Ltd.	—	—	100,000	—	—	—
Trade payables:						
China Medical Equipment Technology Service Co., Ltd.	—	—	7,680	—	—	—
Qier Machine Tool Group Co., Ltd.	250	—	—	—	—	—
Genertec Italia s.r.l.	—	—	759	—	—	759
	<u>250</u>	<u>—</u>	<u>108,439</u>	<u>—</u>	<u>—</u>	<u>759</u>

The above related parties are subsidiaries of Genertec Group.

The balances with the related parties are unsecured, interest-free and repayable within one year or based on the payment schedules agreed between the Group and the respective parties.

23. OTHER PAYABLES AND ACCRUALS

	Note	Group			Company		
		2012	2013	2014	2012	2013	2014
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Current:							
Lease deposits due within 1 year		60,735	55,043	63,019	—	—	
Accrued salary		17,225	35,584	52,075	—	4,116	
Accrued welfare		2,003	791	2,122	—	2	
Advances from customers		1,630	2,789	1,569	—	1,578	
Due to related parties	23a	161,612	252,979	22,506	—	13,146	
Other taxes payable		4,813	2,103	5,629	—	—	
Interest payable		5,859	18,347	61,067	—	—	
Other payables		12,645	12,346	117,708	1	4,865	
		<u>266,522</u>	<u>379,982</u>	<u>325,695</u>	<u>1</u>	<u>6,443</u>	
						<u>19,238</u>	

	Note	Group			Company		
		2012	2013	2014	2012	2013	2014
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Non-current:							
Lease deposits due							
after 1 year		370,771	710,761	1,182,143	—	—	—
Accrued salary		3,078	27,411	50,425	—	—	—
Due to related parties . . .	23a	34,242	—	—	—	—	—
		<u>408,091</u>	<u>738,172</u>	<u>1,232,568</u>	<u>—</u>	<u>—</u>	<u>—</u>
		<u>674,613</u>	<u>1,118,154</u>	<u>1,558,263</u>	<u>1</u>	<u>6,443</u>	<u>19,238</u>

23a. BALANCES WITH RELATED PARTIES

Particulars of an amount due to related parties are as follows:

	Group			Company		
	2012	2013	2014	2012	2013	2014
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Genertec Group.	40,885	40,732	—	—	—	—
China National Instruments Import & Export (Group) Corporation	—	2,565	—	—	—	—
Genertec Hong Kong International Capital Limited	150,740	204,125	21,650	—	—	2
Genertec Finance Co., Ltd.	2,889	4,217	856	—	—	—
Genertec Italia s.r.l.	1,340	1,340	—	—	—	—
China Universal Leasing Co. Ltd.	—	—	—	—	—	13,144
	<u>195,854</u>	<u>252,979</u>	<u>22,506</u>	<u>—</u>	<u>—</u>	<u>13,146</u>

The above related parties, except for Genertec Group, are subsidiaries of Genertec Group.

The balances with the related parties are unsecured, interest-free and repayable within one year or based on the payment schedules agreed between the Group and the respective parties.

24. INTEREST-BEARING BANK AND OTHER BORROWINGS

Group	2012			2013			2014		
	Effective interest rate (%)	Maturity	RMB'000	Effective interest rate (%)	Maturity	RMB'000	Effective interest rate (%)	Maturity	RMB'000
Current:									
Bank loans — secured	5.60	2013	180,744	5.04	2014	124,746	—	—	—
— unsecured	5.40~6.30	2013	150,000	5.40~5.70	2014	300,000	5.60~6.18	2015	450,000
Current portion of long-term bank loans									
— secured	5.76~7.38	2013	502,091	3.64~7.38	2014	1,145,806	2.55~7.36	2015	1,507,052
— unsecured	—	—	—	2.57~6.46	2014	120,984	3.94~6.30	2015	543,948
Current portion of long-term other loans									
— secured	6.46~7.66	2013	101,093	6.46~7.66	2014	283,333	6.30~7.66	2015	203,707
— unsecured	—	—	—	—	—	—	7.30	2015	100,000
Finance lease payables									
— secured	—	—	—	—	—	—	6.00~7.02	2015	288,836
Due to related parties									
— unsecured	2.71~6.10	2013	1,130,578	2.24~6.00	2014	1,383,485	3.15~5.60	2015	1,024,644
			<u>2,064,506</u>			<u>3,358,354</u>			<u>4,118,187</u>
Non-current:									
Bank loans — secured	5.00~7.38	2014~2017	930,677	3.64~7.36	2015~2018	2,277,454	2.55~7.36	2016~2019	1,942,404
— unsecured	—	—	—	2.57~6.46	2015~2016	1,787,629	3.94~6.58	2016~2017	3,040,025
Other loans — secured	6.46~7.66	2014~2017	227,821	6.46~7.66	2015~2017	214,487	6.3	2016~2017	10,617
— unsecured	—	—	—	—	—	—	7.3	2016	200,000
Finance lease payables									
— secured	—	—	—	—	—	—	6.00~7.02	2016~2017	505,498
Bonds — secured	—	—	—	—	—	—	6.08	2017	1,591,521
Due to related parties									
— unsecured	2.71~5.00	2014	565,695	5.00	2015	267,892	—	—	—
			<u>1,724,193</u>			<u>4,547,462</u>			<u>7,290,065</u>
			<u>3,788,699</u>			<u>7,905,816</u>			<u>11,408,252</u>

Company

	2012			2013			2014		
	Effective interest rate (%)	Maturity	RMB'000	Effective interest rate (%)	Maturity	RMB'000	Effective interest rate (%)	Maturity	RMB'000
Current:									
Due to a subsidiary									
— unsecured . . .	—	—	—	—	—	—	6.00	2015	4,000
			—			—			4,000
			<u>—</u>			<u>—</u>			<u>4,000</u>
			Group			Company			
			2012	2013	2014	2012	2013	2014	
			RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	
Analysed into:									
Bank loans repayable:									
Within one year		832,835	1,691,536	2,501,000	—	—	—	—	—
In the second year . .		497,197	1,724,734	2,551,134	—	—	—	—	—
In the third to fifth years, inclusive. . .		433,480	2,340,349	2,431,295	—	—	—	—	—
		<u>1,763,512</u>	<u>5,756,619</u>	<u>7,483,429</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
Other borrowings repayable:									
Within one year	1,231,671	1,666,818	1,617,187	—	—	—	—	4,000	—
In the second year . .	759,028	471,762	511,632	—	—	—	—	—	—
In the third to fifth years, inclusive. . .	34,488	10,617	1,796,004	—	—	—	—	—	—
	<u>2,025,187</u>	<u>2,149,197</u>	<u>3,924,823</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>4,000</u>
	<u>3,788,699</u>	<u>7,905,816</u>	<u>11,408,252</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>4,000</u>

Notes:

- (a) During the year ended December 31, 2014, the Company's wholly-owned subsidiary Universal Number One Co., Ltd. issued bonds with an aggregate principal amount of RMB1,600,000,000 and a fixed coupon rate of 5.70% in Hong Kong (the "Bonds"). The Bonds were listed on the Hong Kong Stock Exchange and due in 2017. The Company provides an unconditional and irrevocable guarantee in respect of the Bonds, which are also secured by the Group's lease receivables, time deposits and the shares of Universal Number One Co., Ltd. As at December 31, 2014, the Group's gross lease receivables and time deposits pledged as security for the Bonds were RMB2,187,611,000 and RMB22,987,000.
- (b) As at December 31, 2012, 2013 and 2014, the amount of the Group's borrowings from banks guaranteed by Genertec Group was RMB1,133,758,000, RMB1,803,876,000 and RMB1,396,613,000, respectively.
- (c) As at December 31, 2012, 2013 and 2014, the Group's bank and other loans secured by lease receivables were RMB811,082,000, RMB2,110,676,000 and RMB2,115,069,000, respectively; the Group's gross lease receivables pledged as security for the Group's bank and other loans were RMB1,405,728,000, RMB2,969,684,000 and RMB2,899,363,000, respectively. As at December 31, 2012, 2013 and 2014, the Group's bank and other loans secured by cash and bank balances and time deposits amounted to RMB611,082,000, RMB1,057,437,000 and RMB1,974,127,000.

As at December 31, 2014, the Group's finance lease payables secured by lease receivables were RMB794,334,000; the Group's gross lease receivables pledged as security for the Group's finance lease payables were RMB1,234,222,000.

As at December 31, 2012, 2013 and 2014, the related parties of the Group's balances due to related parties included Genertec HK and Genertec Finance Co., Ltd.

25. DEFERRED TAX

The movements in deferred tax liabilities and assets during the Relevant Periods are as follows:

Deferred tax assets

	Allowances for impairment losses	Salary and welfare payable	Fair value loss on derivative financial instruments	Accrued expenses	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Gross deferred tax assets at January 1, 2012	608	335	1,676	—	2,619
Charged/(credited) to the statement of profit or loss during the year	(224)	4,741	473	—	4,990
Gross deferred tax assets at December 31, 2012	<u>384</u>	<u>5,076</u>	<u>2,149</u>	<u>—</u>	<u>7,609</u>
Gross deferred tax assets at January 1, 2013	384	5,076	2,149	—	7,609
Charged/(credited) to the statement of profit or loss during the year	8,327	10,673	(697)	—	18,303
Gross deferred tax assets at December 31, 2013	<u>8,711</u>	<u>15,749</u>	<u>1,452</u>	<u>—</u>	<u>25,912</u>
Gross deferred tax assets at January 1, 2014	8,711	15,749	1,452	—	25,912
Charged/(credited) to the statement of profit or loss during the year	5,986	8,848	(1,007)	250	14,077
Gross deferred tax assets at December 31, 2014	<u>14,697</u>	<u>24,597</u>	<u>445</u>	<u>250</u>	<u>39,989</u>

Deferred tax liabilities

	<u>Lease deposits</u>
	<u>RMB'000</u>
Gross deferred tax liabilities at January 1, 2012	3,258
Charged to the statement of profit or loss during the year	<u>2,428</u>
Gross deferred tax liabilities at December 31, 2012	<u>5,686</u>
Gross deferred tax liabilities at January 1, 2013	5,686
Charged to the statement of profit or loss during the year	<u>4,270</u>
Gross deferred tax liabilities at December 31, 2013	<u>9,956</u>
Gross deferred tax liabilities at January 1, 2014	9,956
Charged to the statement of profit or loss during the year	<u>7,536</u>
Gross deferred tax liabilities at December 31, 2014	<u>17,492</u>

For the purpose of the presentation of the consolidated statement of financial position, certain deferred tax assets and liabilities have been offset. The following is an analysis of the deferred tax balances of the Group for financial reporting purposes:

	<u>2012</u>	<u>2013</u>	<u>2014</u>
	<u>RMB'000</u>	<u>RMB'000</u>	<u>RMB'000</u>
Net deferred tax assets recognized in the consolidated statement of financial position	<u>1,923</u>	<u>15,956</u>	<u>22,497</u>
Net deferred tax liabilities recognized in the consolidated statement of financial position	<u>—</u>	<u>—</u>	<u>—</u>

Pursuant to the PRC Corporate Income Tax Law, a 10% withholding tax is levied on dividends declared to foreign investors from the foreign investment enterprises established in Mainland China. The requirement is effective from January 1, 2008 and applies to earnings after December 31, 2007. A lower withholding tax rate may be applied if there is a tax treaty between Mainland China and the jurisdiction of the foreign investors. For the Group, the applicable rate is 10%. The Group is therefore liable for withholding taxes on dividends distributed by those subsidiaries established in Mainland China in respect of earnings generated from January 1, 2008.

At December 31, 2012, 2013 and 2014, no deferred tax has been recognized for withholding taxes that would be payable on the unremitted earnings that are subject to withholding taxes of the Group's subsidiaries established in Mainland China. In the opinion of the directors, the funds will be retained to expand the operation in Mainland China and it is not probable that these subsidiaries will distribute such earnings in the foreseeable future. The aggregate amount of temporary differences associated with investments in subsidiaries in Mainland China for which deferred tax liabilities have not been recognized totalled approximately RMB231,337,000, RMB513,220,000 and RMB915,031,000 at December, 31, 2012, 2013 and 2014, respectively.

26. FINANCE LEASE PAYABLES

The Group, as a lessee, engaged in sale and leaseback transactions with certain financial leasing companies for financing purposes. These leases are classified as finance leases and have remaining lease terms ranging from three to five years. The equipment selected for the sale and leaseback transactions had been under finance leases pursuant to the finance lease contracts in which the Group was a lessor.

As at December 31, 2014, the total future minimum lease payments under finance leases and their present values were as follows:

Group

	<u>Minimum lease payments</u>	<u>Present value of minimum lease payments</u>
	<u>2014</u>	<u>2014</u>
	<u>RMB'000</u>	<u>RMB'000</u>
Amounts payable:		
Within one year	331,396	288,836
In the second year	328,800	302,414
In the third to fifth years, inclusive	<u>210,137</u>	<u>203,084</u>
Total minimum finance lease payments	870,333	794,334
Future finance charges	<u>(75,999)</u>	
Total net finance lease payables	794,334	
Portion classified as current liabilities (note 24)	<u>(288,836)</u>	
Non-current portion (note 24)	<u>505,498</u>	

27. SHARE CAPITAL

	<u>Number of shares</u>			<u>Share capital in RMB</u>		
	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
				<u>RMB</u>	<u>RMB</u>	<u>RMB</u>
Issued and fully paid						
ordinary shares	<u>122,599,216</u>	<u>122,599,216</u>	<u>253,913,216</u>	<u>775,291,407</u>	<u>775,291,407</u>	<u>1,579,905,436</u>

A summary of movements in the Company's issued share capital is as follows:

	Number of shares in issue	Issued capital	
		US\$	RMB
As at January 1, 2012	—	—	—
Issue of shares (note (a))	122,599,216	122,599,216	775,291,407
As at December 31, 2012	<u>122,599,216</u>	<u>122,599,216</u>	<u>775,291,407</u>
As at January 1, 2013, December 31, 2013 and January 1, 2014	122,599,216	122,599,216	775,291,407
Issue of shares (note (b))	131,314,000	131,314,000	804,614,029
As at December 31, 2014	<u>253,913,216</u>	<u>253,913,216</u>	<u>1,579,905,436</u>

Notes:

(a) The Company was incorporated in Hong Kong on April 19, 2012 with initial nominal share capital of US\$62,525,600 divided into 62,525,600 shares of a par value of US\$1 each, all of which were issued, fully paid up, to Genertec HK.

On June 19, 2012, CITIC Capital and Jublon subscribed for 50,265,679 and 9,807,937 ordinary shares of the Company respectively, at par value, with respective investment amounts of US\$50,265,679 and US\$9,807,937.

(b) On February 21, 2014, all shareholders of the Company subscribed for a total of 50,000,000 shares of the Company for a total consideration of US\$50,000,000 in direct proportion with their equity interests in the Company.

On October 28, 2014, all shareholders of the Company subscribed for a total of 81,314,000 shares of the Company for a total consideration of US\$81,314,000 in direct proportion with their equity interests in the Company.

28. RESERVES

(a) Group

The amounts of the Group's reserves and the movements therein for the Relevant Periods are presented in the consolidated statement of changes in equity.

Capital reserve

The capital reserve as at January 1, 2012 represents the issued capital of CULC. The capital reserve as at December 31, 2014 represents share-based compensation reserve comprised the fair value of the shares awarded under the share transfer to the management of the Group (see note 29) recognized in accordance with the accounting policy adopted for equity compensation benefits.

Statutory reserve

Pursuant to the relevant laws and regulations and the articles of association of the subsidiaries of the Company in the PRC, if a subsidiary is registered as a Sino-foreign joint venture, it is required to, at the discretion of the board of directors, transfer a portion of their profit after taxation reported in their statutory financial statements prepared under the applicable PRC accounting standards to the statutory surplus reserve.

If a subsidiary is registered as a wholly-foreign invested enterprise or a domestic limited liability company, it is required to appropriate 10% of each year's statutory net profits to the statutory surplus reserve according to the PRC accounting standards and regulations (after offsetting previous years' losses) to the statutory surplus reserve. The PRC subsidiary may discontinue the contribution when the aggregate sum of the statutory surplus reserve is more than 50% of its registered capital. Upon contribution to the statutory surplus reserve using its post-tax profit, a company may make further contribution to the surplus reserve using its post-tax profit in accordance with a resolution of the board of directors. The appropriation to statutory and discretionary surplus reserves must be made before distribution of dividends to owners. These reserves shall only be used to make up for previous years' losses, to expand production operations, or to increase the capital of the PRC subsidiary. The statutory reserve can be transferred to paid-in capital, provided that the balance of the statutory surplus reserve after such transfer is not less than 25% of its registered capital.

Exchange fluctuation reserve

The exchange fluctuation reserve comprises all foreign exchange differences arising from the translation of the financial statements of operations with a functional currency other than RMB.

(b) Company

	Capital reserve	Exchange fluctuation reserve	Retained profits/ (Accumulated losses)	Total
	RMB'000	RMB'000	RMB'000	RMB'000
Balance at January 1, 2012	—	—	—	—
Profit for the year	—	—	157	157
Other comprehensive income	—	(4,694)	—	(4,694)
At December 31, 2012 and January 1, 2013 . . .	—	(4,694)	157	(4,537)
Loss for the year	—	—	(466)	(466)
Other comprehensive income	—	(23,120)	—	(23,120)
At December 31, 2013	—	(27,814)	(309)	(28,123)
Profit for the year	—	—	9,230	9,230
Equity-settled share award arrangements	4,742	—	—	4,742
Proposed dividend	—	—	(8,264)	(8,264)
Other comprehensive income	—	1,610	—	1,610
At December 31, 2014	<u>4,742</u>	<u>(26,204)</u>	<u>657</u>	<u>(20,805)</u>

29. SHARE-BASED PAYMENTS

On October 10, 2014, arrangements were entered into for CITIC Capital and Jublon to transfer a total of 5,177,976 shares of the Company (3% of total shares issued as at October 10, 2014) to three BVI companies which are wholly owned by the chief executive officer, the chief financial officer and 11 management personnel of the Group respectively, at a consideration of US\$1.14 per share. The consideration was below the fair value of the shares, which is determined by a professional valuer engaged by the Group, using the market approach, at US\$2.18 per share as of September 28, 2014, the grant date.

The shares were transferred to these management personnel of the Group at below fair value as incentives for the management to grow and develop the Group and prepare the Company for its initial public offering (the "IPO"). The shares transferred are subject to various conditions, including the successful IPO of the Company, the management personnel had not been dismissed due to serious breach of employee agreement, company's regulations or incompetence and they have not resigned and are still in service at the end of 12 months after the completion of the IPO.

In relation to the transferred shares that CITIC Capital and Jublon had indirectly transferred to the management personnel, the total amount of share-based payment expenses that will be amortised over the vesting period is RMB33,302,000, being the difference between the fair value of the shares at the grant date and the considerations paid by the management personnel. Accordingly, the Group recognized an expense of RMB4,742,000 for the year ended December 31, 2014 in respect of such share-based payments.

30. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS**(a) Major non-cash transactions**

During the year ended December 31, 2014, the Group entered into an asset-backed securitisation arrangement with a structured entity. Under the arrangement, asset-backed securities accounted for as available-for-sale investments totalled RMB20,955,000 was subscribed by the Group through the transfer of lease receivables.

31. CONTINGENT LIABILITIES

At the end of each reporting period, contingent liabilities that not provided for in the financial statements were as follow:

Group

	<u>2012</u>	<u>2013</u>	<u>2014</u>
	RMB'000	RMB'000	RMB'000
Claimed amounts	<u>1,278</u>	<u>1,278</u>	<u>1,278</u>

Company

	<u>2012</u>	<u>2013</u>	<u>2014</u>
	RMB'000	RMB'000	RMB'000
Guarantees on Bonds provided to a subsidiary	<u>—</u>	<u>—</u>	<u>1,591,521</u>

32. PLEDGE OF ASSETS

Details of the Group's bank loans, which are secured by the assets of the Group, are included in notes 19, 21 and 24 to the Financial Information.

33. OPERATING LEASE ARRANGEMENTS**(a) As lessor**

The Group leased its medical equipment (note 14 to the Financial Information) under operating lease arrangements, with leases negotiated for terms of more than five years.

Under the lease contracts, all rentals that the Group receives are contingent rentals based on the monthly gross or net income generated by the medical equipment.

(b) As lessee

The Group leases certain properties as its office premises under operating lease arrangements. Leases for properties are negotiated for terms ranging from one to three years.

As at December 31, 2012, 2013 and 2014, the Group had total future minimum lease payments under non-cancellable operating leases falling due as follows:

	<u>2012</u>	<u>2013</u>	<u>2014</u>
	RMB'000	RMB'000	RMB'000
Within one year	2,264	5,293	14,207
In the second to fifth years, Inclusive.	<u>770</u>	<u>350</u>	<u>173</u>
	<u>3,034</u>	<u>5,643</u>	<u>14,380</u>

34. COMMITMENTS

In addition to the operating lease commitments detailed in note 33 above, the Group had the following capital commitments and credit commitments at the end of each reporting period:

(a) Capital commitments

	<u>2012</u>	<u>2013</u>	<u>2014</u>
	RMB'000	RMB'000	RMB'000
Contracted, but not provided for	<u>—</u>	<u>—</u>	<u>11,499</u>

(b) Credit commitments

	<u>2012</u>	<u>2013</u>	<u>2014</u>
	RMB'000	RMB'000	RMB'000
Credit commitments	<u>139,430</u>	<u>874,050</u>	<u>637,481</u>

Credit commitments represent undrawn finance lease facilities agreed and granted to customers. They are conditionally revocable commitments.

35. RELATED PARTY TRANSACTIONS

In addition to the transactions and balances in notes 19, 20, 21, 22, 23 and 24 to the Financial Information, the Group had the following material transactions with related parties during the Relevant Periods.

(a) Transactions with Genertec Group and companies under Genertec Group

Genertec Group was established in 1988 and is a wholly-state-owned company. Genertec Group's businesses principally cover five sectors, including equipment manufacturing, trade and engineering contracting, pharmaceutical industry, technical services and consultancy, as well as construction and real estate. Genertec Group is one of the major shareholders of the Company.

The companies under Genertec Group which had transactions with the Group during the Relevant Periods are subsidiaries of Genertec Group.

(i) Selling goods to related parties*Group*

	<u>2012</u>	<u>2013</u>	<u>2014</u>
	RMB'000	RMB'000	RMB'000
China National Technical Import & Export Corporation	6,509	2,462	—
China National Instruments Import & Export (Group) Corporation	<u>—</u>	<u>2,632</u>	<u>10,812</u>

The sales to related parties are made on terms mutually agreed between the Group and the respective parties.

(ii) Interest income*Group*

	<u>2012</u>	<u>2013</u>	<u>2014</u>
	RMB'000	RMB'000	RMB'000
Genertec Finance Co., Ltd.	<u>253</u>	<u>252</u>	<u>675</u>

The interest income was charged at rate 0.35% per annum.

(iii) *Service fee income*

Group

	2012	2013	2014
	RMB'000	RMB'000	RMB'000
China Medical Equipment Technology Service Co., Ltd.	471	270	—
Paryocean (Asia Pacific) International Company Ltd.	<u>5,013</u>	<u>—</u>	<u>—</u>

Services were provided based on prices mutually agreed between the Group and the respective parties.

(iv) *Purchase of leased assets from related parties*

Group

	2012	2013	2014
	RMB'000	RMB'000	RMB'000
Genertec Italia s.r.l.	—	—	4,798
China National Instruments Import & Export (Group) Corporation	5,700	11,300	7,680
China Medical Equipment Technology Service Co., Ltd.	<u>28,154</u>	<u>17,433</u>	<u>—</u>

The purchases from related parties are made on terms mutually agreed between the Group and the respective parties.

(v) *Rental expenses*

Group

	2012	2013	2014
	RMB'000	RMB'000	RMB'000
Genertec Group	3,519	3,534	3,504
General Technology Group Property Management Ltd	2,840	6,459	9,429
Paryocean Properties CO., LTD	<u>—</u>	<u>—</u>	<u>347</u>

The rental expenses paid to related parties are made on terms mutually agreed between the Group and the respective parties.

(vi) *Interest expense on borrowings**Group*

	2012	2013	2014
	RMB'000	RMB'000	RMB'000
Genertec Group	6,617	—	—
Genertec HK	60,883	57,179	65,988
Genertec Finance Co., Ltd.	<u>6,212</u>	<u>8,167</u>	<u>7,490</u>

The interest expenses were charged at rates ranging from 2.24% to 6.10% per annum.

(vii) *Consulting service fees**Group*

	2012	2013	2014
	RMB'000	RMB'000	RMB'000
China National Instruments Import & Export (Group) Corporation	—	306	—
Genertec Italia s.r.l.	833	—	17
China General Consulting & Investment Co., Ltd.	<u>300</u>	<u>—</u>	<u>120</u>

The consulting service expenses were charged based on prices mutually agreed between the parties.

(viii) *Finance lease income**Group*

	2012	2013	2014
	RMB'000	RMB'000	RMB'000
Harbin Measuring & Cutting Tool Group Co., Ltd.	4,099	2,885	2,045
Changsha Haliang Kaishuai Precision Machinery Co., Ltd.	<u>1,425</u>	<u>1,109</u>	<u>786</u>

The finance lease income was charged at rates ranging from 6.01% to 6.41% per annum.

The related party transactions in respect of item (i), (ii), (iii), (iv), (v) and (vii) above also constitute connected transactions on continuing connected transactions as defined in chapter 14A of the Listing Rules.

(b) Significant transactions with other government-related entities

The largest shareholder of the Company is a state-owned enterprise. In accordance with HKAS 24 "Related Party Disclosures", government-related entities include entities that are

directly or indirectly controlled, jointly controlled or significantly influenced by the PRC government. On this basis, related parties include other government-related entities, in addition to Genertec Group and companies under Genertec Group.

During the Relevant Periods, the Group's significant transactions with other government-related entities constituted a large portion of finance lease services and advisory services. In addition, substantially all restricted deposit, cash and cash equivalents and borrowings as at December 31, 2012, 2013 and 2014 and the relevant interest earned and paid during the years were transacted with banks and other financial institutions which are controlled by the PRC government.

(c) Compensation of key management personnel of the Group:

Group

	<u>2012</u>	<u>2013</u>	<u>2014</u>
	RMB'000	RMB'000	RMB'000
Short term employee benefits	3,777	4,047	4,599
Equity-settled share award arrangements	—	—	2,854
Total compensation	<u>3,777</u>	<u>4,047</u>	<u>7,453</u>

36. FINANCIAL INSTRUMENTS BY CATEGORY

The carrying amounts of each of the categories of financial instruments as at the end of each reporting period are as follows:

Group

Financial assets

	<u>2012</u>	<u>2013</u>	<u>2014</u>
	RMB'000	RMB'000	RMB'000
<i>Loans and receivables:</i>			
Loans and accounts receivables	5,258,984	9,565,004	15,639,329
Deposits and other receivables	178,138	310,488	38,964
Restricted deposits	64,041	124,377	100,504
Cash and cash equivalents	<u>307,980</u>	<u>318,998</u>	<u>453,569</u>
	5,809,143	10,318,867	16,232,366
<i>Available-for-sale financial assets:</i>			
Available-for-sale investments	—	—	20,955
	<u>5,809,143</u>	<u>10,318,867</u>	<u>16,253,321</u>

Financial liabilities

	<u>2012</u>	<u>2013</u>	<u>2014</u>
	RMB'000	RMB'000	RMB'000
<i>Financial liabilities at amortised cost:</i>			
Trade and bills payables	547,054	234,597	956,422
Other payables and accruals	647,133	1,049,850	1,446,443
Interest-bearing bank and other borrowings	<u>3,788,699</u>	<u>7,905,816</u>	<u>11,408,252</u>
	4,982,886	9,190,263	13,811,117
<i>Financial liabilities at fair value:</i>			
Derivative financial instruments	<u>8,595</u>	<u>5,807</u>	<u>1,780</u>
	<u>4,991,481</u>	<u>9,196,070</u>	<u>13,812,897</u>

*Company*Financial assets

	<u>2012</u>	<u>2013</u>	<u>2014</u>
	RMB'000	RMB'000	RMB'000
<i>Loans and receivables:</i>			
Accounts receivable	—	—	3,355
Deposits and other receivables	—	—	31,130
Dividend receivable from a subsidiary	—	—	8,264
Cash and cash equivalents	<u>158</u>	<u>5,685</u>	<u>87,131</u>
	<u>158</u>	<u>5,685</u>	<u>129,880</u>

Financial liabilities

	<u>2012</u>	<u>2013</u>	<u>2014</u>
	RMB'000	RMB'000	RMB'000
<i>Financial liabilities at amortised cost:</i>			
Trade payables	—	—	759
Other payables and accruals	1	4,865	15,020
Interest-bearing bank and other borrowings	<u>—</u>	<u>—</u>	<u>4,000</u>
	<u>1</u>	<u>4,865</u>	<u>19,779</u>

37. TRANSFERS OF FINANCIAL ASSETS**Transferred financial assets that are not derecognized in their entirety***Securitisation transaction*

During the year ended December 31, 2014, the Group transferred lease receivables with an original carrying amount of RMB698,064,000 ("Transferred Lease Receivables") to a structured entity which then issued interest-bearing debt securities backed by the Transferred

Lease Receivables (“Asset-backed Securities”). The Asset-backed Securities issued comprised of a 90% preferential tranches and a 10% subordinated tranche. The Group subscribed to 30% of the subordinated tranche, and the remaining balance of the subordinated tranche and the preferential tranche were issued to third parties. In the opinion of the Directors, the Group has neither transferred nor retained substantially all significant risks and rewards of the Transferred Lease Receivables, but retained control over the Transferred Lease Receivables. Accordingly, it continued to recognise the financial assets to the extent of its continuing involvement in the Transferred Lease Receivables. As at December 31, 2014, the retained interest in the Transferred Lease Receivables amounted to RMB20,955,000 (December 31, 2012 and 2013: Nil and nil, respectively), and the associated liabilities, which represented the maximum amount of the cash flows the Group would forfeit under the subordination plus the consideration for the subordination, was RMB20,955,000 (December 31, 2012 and 2013: Nil and nil, respectively).

During the year ended December 31, 2014, the Group has not recognized any significant gains or losses on the date of transfer of the Transferred Lease Receivables, and no gains or losses were recognized from the date of transfer during the year.

38. INTEREST IN THE UNCONSOLIDATED STRUCTURED ENTITY

The Group is involved with a structured entity through the securitisation transaction described in note 37. The Group determined not to consolidate the structured entity as the Group has not controlled over it. The total carrying amount of lease receivable transferred by the Group into the unconsolidated structured amounted to RMB698,064,000 during the year ended December 31, 2014 (for the year ended December 31, 2012 and 2013: Nil and nil, respectively). The description of the asset-backed securities issued by the structured entity and the portion held by the Group is disclosed in note 37 to the Financial Information. As at December 31, 2014, the Group’s interest in the unconsolidated structured entity, which was recognized as available-for-sale investments, amounted to RMB20,955,000 (December 31, 2012 and 2013: Nil and nil, respectively). As at December 31, 2014, the associated liabilities, which represented the maximum amount of the cash flows the Group would forfeit under the subordination amounted to RMB20,955,000, was recognized and included in other liabilities (December 31, 2012 and 2013: Nil and nil, respectively).

Neither the holders of preferential tranches nor the holders of subordinated tranches have contractual obligations to any financial support to the structured entity.

39. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS

Financial instruments not measured at fair value

Financial assets and liabilities not presented at their fair value on the statement of financial position mainly represent cash and cash equivalents, restricted deposits, loans and accounts receivables, financial assets included in deposits and other receivables, trade and bills payables, financial liabilities included in other payables and accruals, interest-bearing bank and other borrowings.

Cash and cash equivalents, restricted deposits, accounts receivable and current portion of financial assets included in deposits and other receivables, trade and bills payables, short-term borrowings and current portion of financial liabilities included in other payables and accruals

Substantially all of the financial assets and liabilities mature within one year from the end of each reporting period and their carrying values approximate to their fair values.

Lease receivables and interest-bearing bank and other borrowings excluding bonds issued and short-term borrowings

Substantially all of the lease receivables and interest-bearing bank and other borrowings excluding bonds issued and short-term borrowings, are on floating rate terms, bear interest at prevailing market interest rates and their carrying values approximate to their fair value.

Bonds issued

The fair value of the bonds calculated based on quoted market prices.

The table below summarises the carrying amounts and fair value of bonds issued which are included in interest-bearing bank and other borrowings not presented at fair value on the statement of financial position as at December 31, 2012, 2013 and 2014.

	Carrying amounts			Fair values		
	2012	2013	2014	2012	2013	2014
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Bonds issued	—	—	1,591,521	—	—	1,600,032

Non-current portion of financial assets included in deposits and other receivables, non-current portion of financial liabilities included in other payables and accruals

The fair values of non-current portion of financial assets included in deposits and other receivables, non-current portion of financial liabilities included in other payables and accruals have been calculated by discounting the expected future cash flows using rates currently available for instruments with similar terms, credit risk and remaining maturities. The difference between the carrying amounts and fair values of those financial assets and liabilities is not significant.

Financial instruments measured at fair value

Interest-rate swap contracts

The Group enters into several derivative financial instrument contracts with two counterparties, both are interest rate swaps measured using valuation techniques similar to the present value calculations of the forward pricing and swap models, which incorporate various market observable inputs including the credit quality of counterparties and yield curves.

Asset-backed securities

The fair value of the asset-backed securities recognized as available-for-sale investments are measured using discounted cash flow analysis that calculates the fair value based on valuation inputs such as default rate, loss given default, prepayment rate and yield of the securities' underlying assets. These inputs require an assessment of the securities' underlying assets.

Fair value hierarchy

The Group uses the following hierarchy for determining and disclosing the fair values of financial instruments:

- Level 1: fair values measured based on quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2: fair values measured based on valuation techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly;
- Level 3: fair values measured based on valuation techniques for which any inputs which have a significant effect on the recorded fair value are not based on observable market data (unobservable inputs).

The fair value of the available-for-sale investments is based on unobservable inputs included default rate, loss given default, prepayment rate and yield. As at December 31, 2014, fair value changes resulting from changes in the unobservable inputs were not significant.

Assets and Liabilities measured at fair value:

Group

As at December 31, 2012

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
	<u>RMB'000</u>	<u>RMB'000</u>	<u>RMB'000</u>	<u>RMB'000</u>
Derivative financial instruments — Interest rate swap contracts.	<u>—</u>	<u>8,595</u>	<u>—</u>	<u>8,595</u>

As at December 31, 2013

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
	<u>RMB'000</u>	<u>RMB'000</u>	<u>RMB'000</u>	<u>RMB'000</u>
Derivative financial instruments — Interest rate swap contracts.	<u>—</u>	<u>5,807</u>	<u>—</u>	<u>5,807</u>

As at December 31, 2014

	Level 1	Level 2	Level 3	Total
	RMB'000	RMB'000	RMB'000	RMB'000
Derivative financial instruments — Interest rate swap contracts	—	1,780	—	1,780
Available-for sale investments — Asset-backed securities	<u>—</u>	<u>—</u>	<u>20,955</u>	<u>20,955</u>

Liabilities for which fair values are disclosed:

Group

As at December 31, 2014

	Level 1	Level 2	Level 3	Total
	RMB'000	RMB'000	RMB'000	RMB'000
Bonds issued	<u>1,600,032</u>	<u>—</u>	<u>—</u>	<u>1,600,032</u>

During the years ended December 31, 2012, 2013 and 2014, there were no transfers at fair value measurement between Level 1 and Level 2 and no transfers into or out of Level 3.

40. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's principal financial instruments comprise lease receivables, accounts receivable, trade payables, bank loans, other interest-bearing loans, cash and short term deposits. The main purpose of bank and other interest-bearing loans is to finance the Group's operations while other financial assets and liabilities such as lease receivables, accounts receivable and trade payables are directly related to the Group's operating activities.

The main risks arising from the Group's financial instruments are interest rate risk, currency risk, credit risk and liquidity risk. The board of directors reviews and agrees policies for managing each of these risks.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's interest-bearing bank and other borrowings and lease receivables.

A principal part of the Group's management of interest rate risk is to monitor the sensitivity of projected net interest income under varying interest rate scenarios (simulation modelling). The Group aims to mitigate the impact of prospective interest rate movements which could reduce future net interest income, while balancing the cost of such risk mitigation measure.

The table below demonstrates the sensitivity to a reasonably possible change in interest rate, with all other variables held constant, to the Group's profit before tax.

The sensitivity of the profit before tax is the effect of the assumed changes in interest rates on profit before tax, based on the financial assets and financial liabilities held at the end of each reporting period subject to repricing within the coming year.

Group

	Increase/(decrease) in profit before tax		
	As at December 31,		
	2012	2013	2014
	RMB'000	RMB'000	RMB'000
Change in basis points			
+ 100 basis points	19,365	10,570	40,558
- 100 basis points	(19,365)	(10,570)	(40,558)

The interest rate sensitivities set out in the tables above are for illustration only and are based on simplified scenarios. The figures represent the effect of the pro forma movements in profit before tax based on the projected yield curve scenarios and the Group's current interest rate risk profile. This effect, however, does not incorporate actions that would be taken by management to mitigate the impact of interest rate risk. The projections above also assume that interest rates of financial instruments with different maturities move by the same amount and, therefore, do not reflect the potential impact on profit before tax in the case where some rates change while others remain unchanged.

The tables below summarise the contractual repricing or maturity date, whichever is earlier, of the Group's assets and liabilities:

Group

	As at December 31, 2012					
	Non-interest-bearing	Less than 3 months	3 to 12 months	1 to 5 years	Over 5 years	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
FINANCIAL ASSETS:						
Loans and accounts						
receivables	23,601	4,654,180	387,472	193,731	—	5,258,984
Deposits and other receivables	178,138	—	—	—	—	178,138
Restricted deposits	—	64,041	—	—	—	64,041
Cash and cash equivalents	143	307,837	—	—	—	307,980
Total financial assets	<u>201,882</u>	<u>5,026,058</u>	<u>387,472</u>	<u>193,731</u>	<u>—</u>	<u>5,809,143</u>
FINANCIAL LIABILITIES:						
Trade and bills payables	547,054	—	—	—	—	547,054
Other payables and accruals	252,396	2,183	36,137	338,064	18,353	647,133
Interest-bearing bank and other borrowings	—	2,843,966	693,313	251,420	—	3,788,699
Derivative financial instruments	8,595	—	—	—	—	8,595
Total financial liabilities	<u>808,045</u>	<u>2,846,149</u>	<u>729,450</u>	<u>589,484</u>	<u>18,353</u>	<u>4,991,481</u>
Interest rate risk exposure	<u>(606,163)</u>	<u>2,179,909</u>	<u>(341,978)</u>	<u>(395,753)</u>	<u>(18,353)</u>	<u>817,662</u>
As at December 31, 2013						
	Non-interest-bearing	Less than 3 months	3 to 12 months	1 to 5 years	Over 5 years	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
FINANCIAL ASSETS:						
Loans and accounts						
receivables	760	6,849,705	1,475,015	1,239,524	—	9,565,004
Deposits and other receivables	310,488	—	—	—	—	310,488
Restricted deposits	—	124,377	—	—	—	124,377
Cash and cash equivalents	114	318,884	—	—	—	318,998
Total financial assets	<u>311,362</u>	<u>7,292,966</u>	<u>1,475,015</u>	<u>1,239,524</u>	<u>—</u>	<u>10,318,867</u>
FINANCIAL LIABILITIES:						
Trade and bills payables	234,597	—	—	—	—	234,597
Other payables and accruals	401,631	5,014	33,387	595,963	13,855	1,049,850
Interest-bearing bank and other borrowings	—	6,485,610	1,152,314	267,892	—	7,905,816
Derivative financial instruments	5,807	—	—	—	—	5,807
Total financial liabilities	<u>642,035</u>	<u>6,490,624</u>	<u>1,185,701</u>	<u>863,855</u>	<u>13,855</u>	<u>9,196,070</u>
Interest rate risk exposure	<u>(330,673)</u>	<u>802,342</u>	<u>289,314</u>	<u>375,669</u>	<u>(13,855)</u>	<u>1,122,797</u>

As at December 31, 2014

	Non-interest-bearing	Less than 3 months	3 to 12 months	1 to 5 years	Over 5 years	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
FINANCIAL ASSETS:						
Loans and accounts receivables	8,660	10,412,906	3,864,863	1,352,900	—	15,639,329
Deposits and other receivables	38,964	—	—	—	—	38,964
Restricted deposits	—	75,927	24,577	—	—	100,504
Available-for-sale investments	—	—	—	20,955	—	20,955
Cash and cash equivalents	139,495	314,074	—	—	—	453,569
Total financial assets	<u>187,119</u>	<u>10,802,907</u>	<u>3,889,440</u>	<u>1,373,855</u>	<u>—</u>	<u>16,253,321</u>
FINANCIAL LIABILITIES:						
Trade and bills payables	956,422	—	—	—	—	956,422
Other payables and accruals	211,990	3,138	49,172	1,173,017	9,126	1,446,443
Interest-bearing bank and other borrowings	—	7,701,927	1,277,675	2,428,650	—	11,408,252
Derivative financial instruments	1,780	—	—	—	—	1,780
Total financial liabilities	<u>1,170,192</u>	<u>7,705,065</u>	<u>1,326,847</u>	<u>3,601,667</u>	<u>9,126</u>	<u>13,812,897</u>
Interest rate risk exposure	<u>(983,073)</u>	<u>3,097,842</u>	<u>2,562,593</u>	<u>(2,227,812)</u>	<u>(9,126)</u>	<u>2,440,424</u>

Company

As at December 31, 2012

	Non-interest-bearing	Less than 3 months	3 to 12 months	1 to 5 years	Over 5 years	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
FINANCIAL ASSETS:						
Cash and cash equivalents	—	158	—	—	—	158
Total financial assets	<u>—</u>	<u>158</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>158</u>
FINANCIAL LIABILITIES:						
Other payables and accruals	1	—	—	—	—	1
Total financial liabilities	<u>1</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>1</u>
Interest rate risk exposure	<u>(1)</u>	<u>158</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>157</u>

As at December 31, 2013						
	Non-interest-bearing	Less than 3 months	3 to 12 months	1 to 5 years	Over 5 years	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
FINANCIAL ASSETS:						
Cash and cash equivalents	—	5,685	—	—	—	5,685
Total financial assets	—	5,685	—	—	—	5,685
FINANCIAL LIABILITIES:						
Other payables and accruals	4,865	—	—	—	—	4,865
Total financial liabilities	4,865	—	—	—	—	4,865
Interest rate risk exposure	(4,865)	5,685	—	—	—	820

As at December 31, 2014						
	Non-interest-bearing	Less than 3 months	3 to 12 months	1 to 5 years	Over 5 years	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
FINANCIAL ASSETS:						
Deposits and other receivables	31,130	—	—	—	—	31,130
Dividends receivable from a subsidiary	8,264	—	—	—	—	8,264
Accounts receivable	3,355	—	—	—	—	3,355
Cash and cash equivalents	9,311	77,820	—	—	—	87,131
Total financial assets	52,060	77,820	—	—	—	129,880
FINANCIAL LIABILITIES:						
Trade payables	759	—	—	—	—	759
Interest-bearing bank and other borrowings	—	—	4,000	—	—	4,000
Other payables and accruals	15,020	—	—	—	—	15,020
Total financial liabilities	15,779	—	4,000	—	—	19,779
Interest rate risk exposure	36,281	77,820	(4,000)	—	—	110,101

Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in foreign exchange rates. The Group's exposure to the risk of changes in foreign exchange relates primarily to the operating activities of the Group (when receipt or payment is settled using a currency that is different from the functional currency).

The Group conducts its businesses mainly in RMB, with certain transactions denominated in US\$, and, to a lesser extent, other currencies. The Group's exposure to treasury operations mainly arises from its transactions in currencies other than RMB. The Group seeks to limit its exposure to foreign currency risk by minimising its net foreign currency position.

The exchange rate of US\$ to RMB is managed under a floating exchange rate system. The HK\$ exchange rate has been pegged to the US\$ and therefore the exchange rate of HK\$ to RMB has fluctuated in line with the changes in the exchange rate of US\$ to RMB.

The table below indicates a sensitivity analysis of exchange rate change of the currency to which the Group had significant exposure on its monetary assets and liabilities and its forecast cash flows. The analysis calculates the effect of a reasonably possible movement in the currency rate against RMB, with all other variables held constant, on profit before tax. This effect, however, is based on the assumption that the Group's foreign exchange exposures as at the end of each reporting period kept unchanged and, therefore, have not incorporated actions that would be taken by the Group to mitigate the adverse impact of this foreign exchange risk.

Group

Currency	Change in foreign exchange rate	Increase/(decrease) in profit before tax December 31,		
		2012	2013	2014
	%	RMB'000	RMB'000	RMB'000
US\$ If RMB strengthens against US\$	(1)	16,182	28,170	18,159
If RMB weakens against US\$	1	(16,182)	(28,170)	(18,159)

A breakdown of the assets and liabilities analysed by currency is as follows:

Group

	As at December 31, 2012			
	RMB	US\$	Others	Total
	(In RMB'000 equivalent)			
FINANCIAL ASSETS:				
Loans and accounts receivables	5,258,984	—	—	5,258,984
Deposits and other receivables	178,138	—	—	178,138
Restricted deposits	64,041	—	—	64,041
Cash and cash equivalents	306,904	1,075	1	307,980
Total financial assets	<u>5,808,067</u>	<u>1,075</u>	<u>1</u>	<u>5,809,143</u>
FINANCIAL LIABILITIES:				
Trade and bills payables	547,054	—	—	547,054
Other payables and accruals	532,720	114,411	2	647,133
Interest-bearing bank and other borrowings	2,292,426	1,496,273	—	3,788,699
Derivative financial instruments	—	8,595	—	8,595
Total financial liabilities	<u>3,372,200</u>	<u>1,619,279</u>	<u>2</u>	<u>4,991,481</u>
Net position	<u>2,435,867</u>	<u>(1,618,204)</u>	<u>(1)</u>	<u>817,662</u>

	As at December 31, 2013			
	RMB	US\$	Others	Total
	(In RMB'000 equivalent)			
FINANCIAL ASSETS:				
Loans and accounts receivables	9,565,004	—	—	9,565,004
Deposits and other receivables	310,488	—	—	310,488
Restricted deposits	124,377	—	—	124,377
Cash and cash equivalents	313,278	4,593	1,127	318,998
Total financial assets	<u>10,313,147</u>	<u>4,593</u>	<u>1,127</u>	<u>10,318,867</u>
FINANCIAL LIABILITIES:				
Trade and bills payables	234,597	—	—	234,597
Other payables and accruals	879,297	170,553	—	1,049,850
Interest-bearing bank and other borrowings	5,259,447	2,646,369	—	7,905,816
Derivative financial instruments	—	5,807	—	5,807
Total financial liabilities	<u>6,373,341</u>	<u>2,822,729</u>	<u>—</u>	<u>9,196,070</u>
Net position	<u>3,939,806</u>	<u>(2,818,136)</u>	<u>1,127</u>	<u>1,122,797</u>
	As at December 31, 2014			
	RMB	US\$	Others	Total
	(In RMB'000 equivalent)			
FINANCIAL ASSETS:				
Loans and accounts receivables	15,635,974	—	3,355	15,639,329
Deposits and other receivables	38,834	—	130	38,964
Available-for-sale investments	20,955	—	—	20,955
Restricted deposits	100,504	—	—	100,504
Cash and cash equivalents	371,291	81,409	869	453,569
Total financial assets	<u>16,167,558</u>	<u>81,409</u>	<u>4,354</u>	<u>16,253,321</u>
FINANCIAL LIABILITIES:				
Trade and bills payables	955,663	—	759	956,422
Other payables and accruals	1,425,849	20,592	2	1,446,443
Interest-bearing bank and other borrowings	9,529,685	1,878,567	—	11,408,252
Derivative financial instruments	—	1,780	—	1,780
Total financial liabilities	<u>11,911,197</u>	<u>1,900,939</u>	<u>761</u>	<u>13,812,897</u>
Net position	<u>4,256,361</u>	<u>(1,819,530)</u>	<u>3,593</u>	<u>2,440,424</u>

Company

	As at December 31, 2012		
	US\$	Others	Total
	(In RMB'000 equivalent)		
FINANCIAL ASSETS:			
Cash and cash equivalents	157	1	158
Total financial assets	<u>157</u>	<u>1</u>	<u>158</u>
FINANCIAL LIABILITIES:			
Other payables and accruals	—	1	1
Total financial liabilities	<u>—</u>	<u>1</u>	<u>1</u>
Net position	<u>157</u>	<u>—</u>	<u>157</u>

	As at December 31, 2013		
	US\$	Others	Total
	(In RMB'000 equivalent)		
FINANCIAL ASSETS:			
Cash and cash equivalents	4,558	1,127	5,685
Total financial assets	<u>4,558</u>	<u>1,127</u>	<u>5,685</u>
FINANCIAL LIABILITIES:			
Other payables and accruals	4,865	—	4,865
Total financial liabilities	<u>4,865</u>	<u>—</u>	<u>4,865</u>
Net position	<u>(307)</u>	<u>1,127</u>	<u>820</u>

	As at December 31, 2014			
	RMB	US\$	Others	Total
	(In RMB'000 equivalent)			
FINANCIAL ASSETS:				
Accounts receivable	—	—	3,355	3,355
Deposits and other receivables	31,000	—	130	31,130
Dividend receivable from a subsidiary	8,264	—	—	8,264
Cash and cash equivalents	9,068	77,194	869	87,131
Total financial assets	<u>48,332</u>	<u>77,194</u>	<u>4,354</u>	<u>129,880</u>
FINANCIAL LIABILITIES:				
Trade and bills payables	—	—	759	759
Other payables and accruals	10,138	4,880	2	15,020
Interest-bearing bank and other borrowings	4,000	—	—	4,000
Total financial liabilities	<u>14,138</u>	<u>4,880</u>	<u>761</u>	<u>19,779</u>
Net position	<u>34,194</u>	<u>72,314</u>	<u>3,593</u>	<u>110,101</u>

Credit risk

Credit risk is the risk of loss arising from a lessee's or counterparty's inability to meet its obligations.

The Group enters into transactions only with the recognized and creditworthy third parties. In accordance with the policy of the Group, the Group examines and verifies the credit risk of all customers that the Group has credit transactions with. Besides, the Group monitors and controls the lease receivables regularly to mitigate the risk of significant exposure from bad debts.

Other financial assets of the Group include cash and bank deposits, accounts receivable and other receivables. The credit risk of these financial assets arises from the counterparty's inability to meet its obligations. The maximum exposure to credit risk equals to the carrying amounts of these assets.

Credit risk is often greater when lessees are concentrated in one single industry or geographical location or have comparable economic characteristics. Customers of the Group are diversely located in Mainland China. Lessees of the Group are from different industries as follows:

Group

	As at December 31,					
	2012		2013		2014	
	RMB'000	%	RMB'000	%	RMB'000	%
Net lease receivables						
Healthcare	4,440,523	84	7,099,239	73	10,589,532	67
Education	628,500	12	2,391,334	25	4,475,593	28
Others	222,189	4	207,788	2	785,014	5
	5,291,212	100	9,698,361	100	15,850,139	100
Less: Impairment provision on lease receivables	55,330		133,616		219,470	
Net	<u>5,235,882</u>		<u>9,564,745</u>		<u>15,630,669</u>	

As the customers of the Group are widely dispersed and are engaged in different industries, there is no significant credit risk concentration within the Group.

The quantitative data of exposure to credit risk arising from loans and accounts receivables, deposits and other receivables, and credit commitments are set out in note 19, note 20 and note 32, respectively.

The analysis of financial assets which are neither past due nor impaired is as follows:

	As at December 31,		
	2012	2013	2014
	RMB'000	RMB'000	RMB'000
Lease receivables	5,080,736	9,460,775	15,692,233
Accounts receivable	23,102	259	8,660
Deposits and other receivables	<u>178,138</u>	<u>310,488</u>	<u>38,964</u>

As at December 31, 2012, 2013 and 2014, the financial assets which are past due but are not considered impaired amounted to RMB157,721,000, RMB149,106,000 and RMB25,777,000 respectively, the days overdue are analysed as below:

	As at December 31, 2012				
	Less than 90 days	90 days to 1 year	1 year to 3 years	Over 3 years	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Lease receivables	<u>133,649</u>	<u>23,855</u>	<u>217</u>	<u>—</u>	<u>157,721</u>

	As at December 31, 2013				
	Less than 90 days	90 days to 1 year	1 year to 3 years	Over 3 years	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Lease receivables	<u>122,709</u>	<u>18,029</u>	<u>6,702</u>	<u>1,666</u>	<u>149,106</u>

	As at December 31, 2014				
	Less than 90 days	90 days to 1 year	1 year to 3 years	Over 3 years	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Lease receivables	<u>11,707</u>	<u>14,070</u>	<u>—</u>	<u>—</u>	<u>25,777</u>

When the rental for a period is past due by one day as at each reporting date, the whole lease receivable is classified as past due lease receivables.

Lease receivables that were past due but not impaired related to a number of independent customers that have good track records with the Group. Based on the past experience, the directors of the Company are of the opinion that these balances are not considered impaired as there has not been a significant change in credit quality and the balances are still considered fully recoverable.

The analysis of financial assets which are impaired is as follows:

	As at December 31,		
	2012	2013	2014
	RMB'000	RMB'000	RMB'000
Lease receivables	<u>52,755</u>	<u>88,480</u>	<u>132,129</u>

Impaired lease receivables are defined as those lease receivables have objective evidence of impairment as a result of one or more events that occurred after initial recognition and that event has an impact on the estimated future cash flows of the lease receivables that can be reliably estimated.

Liquidity risk

Liquidity risk is the risk that funds will not be available to meet liabilities as they fall due. This may arise from mismatches in amounts or duration with regard to the maturity of financial assets and liabilities.

The Group manages its liquidity risk through: maintaining flexibility in funding by keeping sufficient available loan facilities or loan commitments provided by banks and other financial institutions, making projections of future cash flows and evaluating the appropriate net current asset/liability position, and maintaining an efficient internal funds transfer mechanism within the Group.

The tables below summarise the maturity profile of the Group's and the Company's financial assets and liabilities based on the contractual undiscounted cash flows:

Group

	As at December 31, 2012					
	On demand	Less than 3 months	3 to 12 months	1 to 5 years	Over 5 years	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
FINANCIAL ASSETS:						
Loans and accounts receivables	26,744	517,848	1,405,437	4,230,954	88,778	6,269,761
Deposits and other receivables	—	165,611	12,527	—	—	178,138
Restricted deposits	—	47,833	8,041	8,294	—	64,168
Cash and cash equivalents	307,980	—	—	—	—	307,980
Total financial assets	<u>334,724</u>	<u>731,292</u>	<u>1,426,005</u>	<u>4,239,248</u>	<u>88,778</u>	<u>6,820,047</u>
FINANCIAL LIABILITIES:						
Trade and bills payables	42,542	358,933	145,579	—	—	547,054
Other payables and accruals	19,957	13,500	120,743	447,844	23,621	625,665
Interest-bearing bank and other borrowings	—	173,002	2,060,741	1,838,539	—	4,072,282
Derivative financial instruments	—	—	—	8,595	—	8,595
Total financial liabilities	<u>62,499</u>	<u>545,435</u>	<u>2,327,063</u>	<u>2,294,978</u>	<u>23,621</u>	<u>5,253,596</u>
Net liquidity gap	<u>272,225</u>	<u>185,857</u>	<u>(901,058)</u>	<u>1,944,270</u>	<u>65,157</u>	<u>1,566,451</u>
As at December 31, 2013						
	On demand	Less than 3 months	3 to 12 months	1 to 5 years	Over 5 years	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
FINANCIAL ASSETS:						
Loans and accounts receivables	30,480	805,150	2,571,826	8,185,185	43,360	11,636,001
Deposits and other receivables	—	300,378	10,110	—	—	310,488
Restricted deposits	—	107,203	8,045	9,296	—	124,544
Cash and cash equivalents	318,998	—	—	—	—	318,998
Total financial assets	<u>349,478</u>	<u>1,212,731</u>	<u>2,589,981</u>	<u>8,194,481</u>	<u>43,360</u>	<u>12,390,031</u>
FINANCIAL LIABILITIES:						
Trade and bills payables	42,542	134,291	57,764	—	—	234,597
Other payables and accruals	16,422	13,834	116,685	873,439	18,784	1,039,164
Interest-bearing bank and other borrowings	—	451,972	3,172,356	4,868,230	—	8,492,558
Derivative financial instruments	—	—	3,684	2,123	—	5,807
Total financial liabilities	<u>58,964</u>	<u>600,097</u>	<u>3,350,489</u>	<u>5,743,792</u>	<u>18,784</u>	<u>9,772,126</u>
Net liquidity gap	<u>290,514</u>	<u>612,634</u>	<u>(760,508)</u>	<u>2,450,689</u>	<u>24,576</u>	<u>2,617,905</u>

As at December 31, 2014

	On demand	Less than 3 months	3 to 12 months	1 to 5 years	Over 5 years	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
FINANCIAL ASSETS:						
Loans and accounts receivables	48,431	1,217,783	4,225,974	13,546,284	5,988	19,044,460
Deposits and other receivables	—	16,230	6,000	16,734	—	38,964
Restricted deposits	—	75,838	24,666	—	—	100,504
Available-for-sale investments	—	—	—	20,955	—	20,955
Cash and cash equivalents	453,569	—	—	—	—	453,569
Total financial assets	<u>502,000</u>	<u>1,309,851</u>	<u>4,256,640</u>	<u>13,583,973</u>	<u>5,988</u>	<u>19,658,452</u>
FINANCIAL LIABILITIES:						
Trade and bills payables	16	797,462	158,944	—	—	956,422
Other payables and accruals	10,709	120,870	59,731	1,490,744	13,140	1,695,194
Interest-bearing bank and other borrowings	—	1,133,633	3,552,796	7,835,068	—	12,521,497
Derivative financial instruments	—	—	—	1,780	—	1,780
Total financial liabilities	<u>10,725</u>	<u>2,051,965</u>	<u>3,771,471</u>	<u>9,327,592</u>	<u>13,140</u>	<u>15,174,893</u>
Net liquidity gap	<u>491,275</u>	<u>(742,114)</u>	<u>485,169</u>	<u>4,256,381</u>	<u>(7,152)</u>	<u>4,483,559</u>

Company

As at December 31, 2012

	On demand	Less than 3 months	3 to 12 months	1 to 5 years	Over 5 years	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
FINANCIAL ASSETS:						
Cash and cash equivalents	158	—	—	—	—	158
Total financial assets	<u>158</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>158</u>
FINANCIAL LIABILITIES:						
Other payables and accruals	—	1	—	—	—	1
Total financial liabilities	<u>—</u>	<u>1</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>1</u>
Net liquidity gap	<u>158</u>	<u>(1)</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>157</u>

As at December 31, 2013

	On demand	Less than 3 months	3 to 12 months	1 to 5 years	Over 5 years	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
FINANCIAL ASSETS:						
Cash and cash equivalents	5,685	—	—	—	—	5,685
Total financial assets	<u>5,685</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>5,685</u>
FINANCIAL LIABILITIES:						
Other payables and accruals	—	4,865	—	—	—	4,865
Total financial liabilities	<u>—</u>	<u>4,865</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>4,865</u>
Net liquidity gap	<u>5,685</u>	<u>(4,865)</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>820</u>

As at December 31, 2014

	On demand	Less than 3 months	3 to 12 months	1 to 5 years	Over 5 years	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
FINANCIAL ASSETS:						
Deposits and other receivables	—	7,000	16,000	8,130	—	31,130
Dividend receivable from a subsidiary	—	—	8,264	—	—	8,264
Accounts receivable	—	3,355	—	—	—	3,355
Cash and cash equivalents	87,131	—	—	—	—	87,131
Total financial assets	<u>87,131</u>	<u>10,355</u>	<u>24,264</u>	<u>8,130</u>	<u>—</u>	<u>129,880</u>
FINANCIAL LIABILITIES:						
Trade payables	—	759	—	—	—	759
Interest-bearing bank and other borrowings	—	—	4,000	—	—	4,000
Other payables and accruals	—	6,756	8,264	—	—	15,020
Total financial liabilities	<u>—</u>	<u>7,515</u>	<u>12,264</u>	<u>—</u>	<u>—</u>	<u>19,779</u>
Net liquidity gap	<u>87,131</u>	<u>2,840</u>	<u>12,000</u>	<u>8,130</u>	<u>—</u>	<u>110,101</u>

The table below summarises the maturity profile of the Group's credit commitment based on the contractual undiscounted cash flows:

Group

	As at December 31,		
	2012	2013	2014
	RMB'000	RMB'000	RMB'000
Credit commitment			
Less than 3 months	99,430	874,050	637,481
3 to 12 months	40,000	—	—
	<u>139,430</u>	<u>874,050</u>	<u>637,481</u>

Capital management

The primary objective of the Group's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximise shareholders' value.

The Group manages its capital structure and makes adjustments to it in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust dividend payments to shareholders, return capital to shareholders and raise new debt or issue new shares. No changes were made to the objectives, policies or processes for managing capital during the Relevant Periods.

The Group monitors capital risk using a gearing ratio, which is calculated as bank and other borrowings divided by total equity. The gearing ratios as at each reporting date during the Relevant Periods which were within the Group's policy are as follows:

Group

	As at December 31,		
	2012	2013	2014
	RMB'000	RMB'000	RMB'000
Bank and other borrowings	3,788,699	7,905,816	11,408,252
Total equity	<u>856,003</u>	<u>1,168,743</u>	<u>2,427,499</u>
Gearing ratio	<u>442.6%</u>	<u>676.4%</u>	<u>470.0%</u>

CULC

The primary objectives of the capital management of CULC, a principal subsidiary of the Group located in Mainland China, are to ensure that it complies with the regulatory requirements of the Ministry of Commerce of the PRC (the "MOFCOM") in addition to the general requirements that are relevant to the Group. In accordance with the "Administration of Foreign Investment in the Leasing Industry" promulgated by the MOFCOM on February 3, 2005 and other relevant laws and regulations, CULC has set up appropriate business development and capital management programs and established a comprehensive evaluation system. It actively adjusts the capital structure in light of changes in the market and the risks being confronted by adjusting its dividend policy or financing channels. During the Relevant Periods, there were no significant changes on the policies or processes for managing the capital of CULC.

In accordance with the aforementioned requirements of the MOFCOM, CULC should maintain its risky assets ("Risky Assets") within 10 times of its equity, Risky Assets shall be determined on the basis of the total assets less cash, bank deposits, government bonds and entrusted lease assets. The calculations of the ratios of Risky Assets to equity as at each reporting date are as follows:

	As at December 31,		
	2012	2013	2014
	RMB'000	RMB'000	RMB'000
Total assets	5,881,406	10,457,837	16,311,445
Less: Cash and cash equivalents	<u>307,821</u>	<u>313,313</u>	<u>366,431</u>
Total Risky Assets	<u>5,573,585</u>	<u>10,144,524</u>	<u>15,945,014</u>
Equity	<u>855,847</u>	<u>1,169,050</u>	<u>2,345,992</u>
Ratio of Risky Assets to equity	<u>6.51</u>	<u>8.68</u>	<u>6.80</u>

41. EVENTS AFTER THE REPORTING PERIOD

- (a) In May 2015, the Company's subsidiary CULC issued a batch of asset-backed securities in aggregate principal amount of RMB 1,141.9 million ("ABS") to institutional investors through an asset management plan. The ABS has four senior tranches and one subordinated tranche. CULC received proceeds of RMB912.0 million from the senior tranches which have an annualized yield ranging from 4.80% to 6.43% and a maturity period from one year to five years. The subordinated tranche was purchased by CULC itself and thus no proceeds were received. As collateral to support the ABS, CULC transferred to the holders under the ABS certain rights to leasing income, collateral security interest and other rights it held as part of underlying finance lease contracts. The initial assets pool collateralized under the ABS consist of lease receivables from 41 existing underlying finance lease

agreements in the healthcare sectors, the gross lease receivables of which amounted to RMB1,384.3 million as of January 1, 2015 (being the date since which all of the lease payments from the collateralized lease receivables should be attributed to the asset management plan).

- (b) Pursuant to the written resolutions passed by all of the shareholders of the Company on June 10, 2015, among others, each existing share in the capital of the Company was subdivided into five shares in the capital of the Company with effect from June 11, 2015. After the share subdivision, the total number of ordinary shares of the Company was increased from 253,913,216 shares to 1,269,566,080 shares.

III. SUBSEQUENT FINANCIAL STATEMENTS

No audited financial statements have been prepared by the Company or its subsidiaries in respect of any reporting period after December 31, 2014.

Yours faithfully,

Ernst & Young
Certified Public Accountants
Hong Kong

APPENDIX II UNAUDITED PRO FORMA FINANCIAL INFORMATION

The information set forth below does not form part of Accountants' Report from Ernst & Young, Certified Public Accountants, Hong Kong, the reporting accountants, as set forth in the Appendix I to this document, and is included herein for illustrative purpose only. The unaudited pro forma financial information should be read in conjunction with the section headed "Financial Information" in this document and the financial information included in the Accountants' Report set forth in Appendix I to this document.

A. UNAUDITED PRO FORMA ADJUSTED CONSOLIDATED NET TANGIBLE ASSET

The following unaudited pro forma statement of adjusted net tangible assets prepared in accordance with Rule 4.29 of the Listing Rules are set out below to illustrate the effect of the Global Offering on the consolidated net tangible assets of the Group attributable to owners of the Company as of December 31, 2014 as if the Global Offering had taken place on that date assuming the over-allotment is not exercised.

The unaudited pro forma statement of adjusted net tangible assets has been prepared for illustrative purposes only and, because of its hypothetical nature, it may not give a true picture of the consolidated net tangible assets of the Group had the Global Offering been completed as of December 31, 2014 or at any future dates. The unaudited pro forma statement of adjusted net tangible assets is prepared based on the consolidated net tangible assets of the Group attributable to owners of our Company as of December 31, 2014 as set out in the Accountant's Report, the text of which is set forth in Appendix I to this prospectus, and adjusted as described below:

	Consolidated net tangible assets of the Group attributable to owners of our Company as of December 31, 2014 ⁽¹⁾⁽⁵⁾	Estimated net proceeds from the Global Offering ⁽²⁾	Unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to owners of our Company	Unaudited pro forma adjusted consolidated net tangible assets per Share ⁽³⁾	
	(in thousands of RMB)			RMB	HK\$ ⁽⁴⁾
Based on the Offer Price of HK\$7.68 per Offer Share	2,427,499	2,423,546	4,851,045	2.87	3.64
Based on the Offer Price of HK\$10.00 per Offer Share	2,427,499	3,198,141	5,625,640	3.32	4.21

Notes:

⁽¹⁾ The consolidated net tangible assets attributable to owners of our Company as of December 31, 2014 is extracted from Accountants' Report set forth in Appendix I to this prospectus, which is based on the consolidated net assets of the Group attributable to owners of the Company as of December 31, 2014 of approximately RMB2,427.5 million.

- (2) The estimated net proceeds from the Global Offering are based on 423,189,500 Shares to be issued under the Global Offering and the Offer Price of HK\$7.68 per Offer Share and HK\$10.00 per Offer Share, being the lower end and upper end of the stated Offer Price range, after deduction of the underwriting fees and other related expenses (excluding approximately HK\$0.4 million listing-related expense which has been accounted for prior to December 31, 2014) payable by the Company in connection with the Global Offering. It does not take into account of any Shares that may be issued pursuant to the exercise of the Over-Allotment Option. The estimated net proceeds from the Global Offering are converted from Hong Kong dollars into Renminbi at the rate of HK\$1.00 to RMB0.79.
- (3) The unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to owners of our Company per Share is calculated based on 1,692,755,580 Shares expected to be in issue immediately following the completion of the Global Offering. It does not take into account of any Shares that may be issued pursuant to the exercise of the Over-Allotment Option.
- (4) The unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to owners of the Company per Share are converted from Renminbi into Hong Kong dollars at the rate of HK\$1.00 to RMB0.79.
- (5) No adjustment has been made to reflect any trading result or other transaction of the Group entered into subsequent to December 31, 2014.

B. INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON THE COMPILATION OF PRO FORMA FINANCIAL INFORMATION

The following is the text of a report, prepared for the purpose of incorporation in this prospectus, received from the reporting accountants, Ernst & Young, Certified Public Accountants, Hong Kong, in respect of the unaudited pro forma financial information.



22/F CITIC Tower,
1 Tim Mei Avenue,
Central, Hong Kong

24 June 2015

To the Director of Universal Medical Financial & Technical Advisory Services Company Limited

We have completed our assurance engagement to report on the compilation of pro forma financial information of Universal Medical Financial & Technical Advisory Services Company Limited (the “Company”) and its subsidiaries (hereinafter collectively referred to as the “Group”) by the directors of the Company (the “Directors”) for illustrative purposes only. The pro forma financial information consists of the pro forma consolidated net tangible assets as at December 31, 2014 and related notes as set out on pages II-1 to II-2 of the Prospectus issued by the Company (the “Pro Forma Financial Information”). The applicable criteria on the basis of which the Directors have compiled the Pro Forma Financial Information are described in note A of Appendix II to the prospectus.

The Pro Forma Financial Information has been compiled by the Directors to illustrate the impact of the global offering of shares of the Company on the Group’s financial position as at December 31, 2014 as if the transaction had taken place at December 31, 2014. As part of this process, information about the Group’s financial position has been extracted by the Directors from the Group’s financial statements for the period ended December 31, 2014, on which an accountant’s report has been published.

Directors’ responsibility for the Pro Forma Financial Information

The Directors are responsible for compiling the Pro Forma Financial Information in accordance with paragraph 4.29 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”) and with reference to Accounting Guideline 7 “Preparation of Pro Forma Financial Information for Inclusion in Investment Circulars” issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”).

Reporting Accountant's responsibilities

Our responsibility is to express an opinion, as required by paragraph 4.29(7) of the Listing Rules, on the Pro Forma Financial Information and to report our opinion to you. We do not accept any responsibility for any reports previously given by us on any financial information used in the compilation of the Pro Forma Financial Information beyond that owed to those to whom those reports were addressed by us at the dates of their issue.

We conducted our engagement in accordance with Hong Kong Standard on Assurance Engagements 3420 *Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus* issued by the HKICPA. This standard requires that the reporting accountant comply with ethical requirements and plan and perform procedures to obtain reasonable assurance about whether the Directors have compiled the Pro Forma Financial Information, in accordance with paragraph 4.29 of the Listing Rules and with reference to AG7 *Preparation of Pro Forma Financial Information for Inclusion in Investment Circulars* issued by HKICPA.

For purposes of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the Pro Forma Financial Information, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the Pro Forma Financial Information.

The purpose of Pro Forma Financial Information included in the Prospectus is solely to illustrate the impact of the global offering of shares of the Company on unadjusted financial information of the Group as if the transaction had been undertaken at an earlier date selected for purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of the transaction would have been as presented.

A reasonable assurance engagement to report on whether the Pro Forma Financial Information has been properly compiled on the basis of the applicable criteria involves performing procedures to assess whether the applicable criteria used by the Directors in the compilation of the Pro Forma Financial Information provide a reasonable basis for presenting the significant effects directly attributable to the transaction, and to obtain sufficient appropriate evidence about whether:

- The related pro forma adjustments give appropriate effect to those criteria; and
- The Pro Forma Financial Information reflects the proper application of those adjustments to the unadjusted financial information.

The procedures selected depend on the reporting accountant's judgment, having regard to the reporting accountant's understanding of the nature of the Group, the transaction in respect of which the Pro Forma Financial Information has been compiled, and other relevant engagement circumstances.

The engagement also involves evaluating the overall presentation of the Pro Forma Financial Information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion:

- (a) the Pro Forma Financial Information has been properly compiled on the basis stated;
- (b) such basis is consistent with the accounting policies of the Group; and
- (c) the adjustments are appropriate for the purpose of the Pro Forma Financial Information as disclosed pursuant to paragraph 4.29(1) of the Listing Rules.

Yours faithfully,

Ernst & Young
Certified Public Accountants
Hong Kong

This Appendix contains a summary of the articles of association of our Company (the "Articles"). The principal objective is to provide potential investors with an overview of the Articles. As the information set out below is in summary form, it does not contain all of the information that may be important to potential investors. As stated in the section headed "Appendix V—Documents Delivered to the Registrar of Companies and Available for Inspection" in this prospectus, a copy of the Articles is available for inspection.

The Articles were adopted on by our Shareholders on June 10, 2015 and became effective on June 23, 2015. The following is a summary of certain provisions of the Articles. The powers conferred or permitted by the Articles are subject to the provisions of the Companies Ordinance, the COWUMPO and other ordinances, subsidiary legislation and the Listing Rules.

ALTERATION OF CAPITAL

Our Company may from time to time by ordinary resolution alter its share capital in any one or more of the ways set out in section 170 of the Companies Ordinance, including but not limited to:

- (a) increasing its share capital by allotting and issuing new shares in accordance with the Companies Ordinance;
- (b) increasing its share capital without allotting and issuing new shares, if the funds or other assets for the increase are provided by the members of our Company;
- (c) capitalising its profits, with or without allotting and issuing new shares;
- (d) allotting and issuing bonus shares with or without increasing its share capital;
- (e) converting all or any of its share into a larger or smaller number of existing shares;
- (f) dividing its shares into several classes and attaching thereto respectively any preferential, deferred, qualified or special rights, privileges or conditions, provided always that where our Company issues shares which do not carry voting rights, the words "non-voting" shall appear in the designation of such shares and where the equity capital includes shares with different voting rights, the designation of each class of shares, other than those with the most favourable voting rights, must include the words "restricted voting" or "limited voting";
- (g) cancelling shares:
 - (i) that, at the date of the passing of the resolution for cancellation, have not been taken or agreed to be taken by any person; or
 - (ii) that have been forfeited; or

- (h) making provision for the issue and allotment of shares which do not carry any voting rights¹.

Our Company may by special resolution reduce its share capital in any manner and with, and subject to, and incident authorised, and consent required by law².

PURCHASE OF OWN SHARES AND WARRANTS

Our Company may exercise any powers conferred or permitted by the Companies Ordinance or any other ordinance from time to time to purchase or otherwise acquire its own shares (including any redeemable shares), or to give, directly or indirectly, by means of a loan, guarantee, the provision of security or otherwise, financial assistance for the purpose of or in connection with a purchase or other acquisition made or to be made by any person of any shares in our Company and should our Company purchase or otherwise acquire its own shares, neither our Company nor the Directors shall be required to select the shares to be purchased or otherwise acquired rateably or in any other particular manner as between the holders of shares of the same class or as between them and the holders of shares of any other class or in accordance with the rights as to dividends or capital conferred by any class of shares provided always that any such purchase or other acquisition or financial assistance shall only be made or given in accordance with any relevant rules or regulations issued by the Stock Exchange, the SFC or the relevant regulator or authorities from time to time in force.

“Shares” referred to above include shares, warrants and any other securities convertible into shares which are issued from time to time by our Company³.

VARIATION OF RIGHTS

Subject to the provisions of the Companies Ordinance, if at any time the capital of our Company is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class) may be varied, either while our Company is a going concern or during or in contemplation of a winding-up, either with the consent in writing of the holders of 75% of the total voting rights of holders of shares in that class, or with the sanction of a special resolution passed at a separate meeting of the holders of the shares of that class, but not otherwise. To every such separate meeting the provisions of the Articles relating to general meetings shall *mutatis mutandis* apply, except that:

- (a) the necessary quorum at such meeting (other than an adjourned meeting) shall be no less than two persons together holding or representing by proxy at least one-third in the total voting rights of the issued shares of the class in question;

¹ Article 61

² Article 64

³ Article 65

- (b) at any adjourned meeting the necessary quorum shall be two persons holding shares of that class or by proxy (whatever the number of shares held by them);
- (c) the holders of the shares of the class shall, on a poll, have one vote in respect of every share of the class held by them respectively; and
- (d) any holder of shares of the class present in person or by proxy may demand a poll⁴.

TRANSFERS OF SHARES

The instrument of transfer of any share shall be in writing and in any usual form or in any other form which the Directors approve including the standard form of transfer as prescribed by the Stock Exchange and shall be executed by or on behalf of the transferor and by or on behalf of the transferee. If the transferor or transferee is a clearing house or its nominee, the instrument of transfer shall be executed by hand or by machine imprinted signature(s) or by such other manner of execution as the Directors may approve from time to time. The transferor shall be deemed to remain the holder of the share(s) concerned until the name of the transferee is entered in the register in respect thereof. Nothing in the Articles shall preclude the Directors from recognising a renunciation of the allotment or provisional allotment of any share by the allottee in favour of some other person. Shares of different classes shall not be comprised in the same instrument of transfer⁵.

The Directors may, in their absolute discretion, refuse to register the transfer of a share which is not fully paid. The Directors may also refuse to register a transfer of a share unless the instrument of transfer:

- (a) is lodged, duly stamped, at the registered office of our Company or at such other place as the Directors may appoint and is accompanied by the certificate for the share to which it relates, and such other evidence as the Directors may reasonably require to show the right of the transferor to make the transfer and a fee as permitted under the rules prescribed by the Stock Exchange;
- (b) is in respect of only one class of share;
- (c) is in favour of not more than four transferees;
- (d) the shares concerned are free of any lien in favour of our Company; and
- (e) such other conditions as the Directors may from time to time impose for the purpose of guarding against losses arising from forgery are satisfied⁶.

⁴ Article 20

⁵ Article 49

⁶ Article 50

If the Directors refuse to register a transfer of a share, they shall within two months after the date on which the transfer was lodged with our Company send to the transferee notice of the refusal in accordance with the Companies Ordinance. If the Directors refuse to register a transfer of a share, the transferee or transferor may request a statement of the reasons for the refusal. If such a request is made, our Company shall, within 28 days after receiving the request: (a) send the person who made the request a statement of reasons; or (b) register the transfer⁷.

No transfer may be made to an infant or to a person of unsound mind or under other legal disability⁸.

GENERAL MEETINGS

Our Company shall, in respect of each financial year of our Company, hold a general meeting as its annual general meeting in accordance with the requirements of the Companies Ordinance in addition to any other meetings in that year, and shall specify the meeting as such in the notices calling it. Subject to such requirements, the Directors shall determine the date, time and place at which each annual general meeting shall be held⁹.

The Directors may convene a general meeting whenever they think fit. General meetings shall also be convened by the Directors on the requisition of members pursuant to the provisions of the Companies Ordinance. The Directors may, whenever they think fit, convene a general meeting, and general meetings shall also be convened on such requisition, or in default, may be convened by such requisitionists, as provided by the Companies Ordinance. If at any time there are not within Hong Kong sufficient Directors capable of acting to form a quorum, any Director or any two or more members of our Company representing at least 10% of the total voting rights of all members having a right to vote at general meetings, may convene a general meeting in the same manner as nearly as possible, as that in which meetings may be convened by the Directors¹⁰.

NOTICE OF GENERAL MEETINGS

Subject to section 578 of the Companies Ordinance, an annual general meeting shall be called by notice in writing of at least 21 clear days (or such longer period as may be required by the Listing Rules), and a general meeting other than an annual general meeting shall be called by notice in writing of at least 14 clear days (or such longer period as may be required

⁷ Article 51

⁸ Article 56

⁹ Article 66

¹⁰ Article 68

by the Listing Rules), shall be given in the manner mentioned in the Articles to all members, to the Directors and to the auditors of our Company for the time being. Notice of a general meeting shall be given to such persons as are, under the Articles, entitled to receive such notices from our Company¹¹.

The notice shall specify the place, the day and the time of meeting (and if the meeting is to be held in 2 or more places, the principal place of the meeting and the other place or places of the meeting) and, in the case of special business the general nature of such business, and in the case of an annual general meeting shall specify the meeting as such. If a resolution (whether or not a special resolution) is intended to be moved at the meeting, the notice must include notice of the resolution, and include or be accompanied by a statement containing any information or explanation that is reasonably necessary to indicate the purpose of the resolution. For notice of a general meeting, there shall appear on every such notice with reasonable prominence a statement that a member entitled to attend and vote is entitled to appoint one or more proxies to attend and, on a poll, vote instead of him and that a proxy need not be a member of our Company¹².

The accidental omission to give notice of a meeting or a resolution intended to be moved at a general meeting to, or the non-receipt of notice of a meeting or a resolution intended to be moved at a general meeting by, any person entitled to receive notice shall not invalidate any resolution(s) passed or the proceedings at that meeting. In cases where instruments of proxy are sent out with notices, the accidental omission to send such instrument of proxy to, or the non-receipt of such instrument of proxy by, any person entitled to receive notice shall not invalidate any resolution(s) passed or the proceedings at that meeting¹³.

Subject to the provisions of the Companies Ordinance, a meeting of our Company shall, notwithstanding that it is called by shorter notice than that specified in the Articles, be deemed to have been duly called if it so agreed:

- (a) in the case of an annual general meeting, by all the members entitled to attend and vote thereat; and
- (b) in the case of any other meeting, by a majority in number of the members having a right to attend and vote at the meeting, being a majority together holding not less than 95% of the total voting rights at the meeting of all the members¹⁴.

¹¹ Article 70

¹² Article 71(a)-(c)

¹³ Article 72

¹⁴ Article 71(d)

VOTING AT GENERAL MEETINGS

Subject to any rights or restrictions attached to any shares, and to the Articles and the Companies Ordinance, on a show of hands every member who (being an individual) is present in person or (being a corporation) is present by a duly authorised representative at any general meeting shall have one vote only, and on a poll every member shall have one vote for every fully paid-up share of which he is the holder¹⁵.

Subject to the rules prescribed by the Stock Exchange from time to time, any vote of shareholders at a general meeting shall be taken by poll except where the chairman, in good faith, decides to allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands. For the purposes of the Articles, procedural and administrative matters are those that (i) are not on the agenda of the general meeting or in any supplementary circular that may be issued by our Company to its members; and (ii) relate to the chairman's duties to maintain the orderly conduct of the meeting and/or allow the business of the meeting to be properly and effectively dealt with, whilst allowing all members a reasonable opportunity to express their views. A poll shall be taken as the chairman directs, and he may appoint scrutineers (who need not be members) and fix a time and place for declaring the result of the poll. The result of the poll shall be deemed to be the resolution of the meeting at which the poll was demanded¹⁶.

On any resolution where a vote is not required under the Companies Ordinance, the Listing Rules or the Articles to be held on a poll, a poll may be demanded before or on the declaration of the result of the show of hands:

- (a) by the chairman of the meeting;
- (b) by not less than five members having the right to vote at the meeting;
- (c) by a member or members present in person or by proxy, or a duly authorised representative of a corporation which is a member, representing not less than 5% of the total voting rights of all the members having the right to vote at the meeting; or
- (d) by a member or members holding shares conferring a right to vote at the meeting on which an aggregate sum has been paid up equal to not less than 5% of the total sum paid up on all the shares conferring that right,

and a demand for a poll by a person as proxy for a member shall be as valid as if the demand were made by the member himself¹⁷.

¹⁵ Article 83

¹⁶ Article 77

¹⁷ Article 78(a)

Without prejudice to the generality of the Articles if a clearing house (or its nominee) is a member of our Company, it (or, as the case may be, its nominee) may authorise such person or persons as it thinks fit to act as its proxy or proxies or its representative or representatives at any meeting of our Company or at any meeting of any class of member of our Company provided that, if more than one person is so authorised, the instrument of proxy or authorisation shall specify the number and class of shares in respect of which each such person is so authorised. A person so authorised under the provisions of the Articles will be deemed to have been duly authorised without the need of producing any documents of title, notarised authorisation and/or further evidence to substantiate that it is so authorised and shall be entitled to exercise the same powers on behalf of the clearing house (or its nominee) which he represents as that clearing house (or its nominee) could exercise as if such person were an individual member of our Company, and where a show of hands is allowed, each such person shall be entitled to a separate vote notwithstanding any contrary provision as provided in the Articles¹⁸.

Where any member is, under the Listing Rules, required to abstain from voting on any particular resolution or restricted to voting only for or only against any particular resolution, any votes cast by or on behalf of such shareholder in contravention of such requirement or restriction shall not be counted¹⁹.

DIRECTORS NEED NOT BE MEMBERS

A Director shall not require a share qualification. A Director who is not a member of our Company shall nevertheless be entitled to attend and speak at all general meeting of our Company²⁰.

BORROWING POWERS OF DIRECTORS

The Directors may from time to time at their discretion exercise all the powers of our Company to raise or borrow or to secure the payment of any sum or sums of money for the purposes of our Company and to mortgage or charge its undertaking, property and uncalled capital or any part thereof. The Directors may raise or secure the payment or repayment of such sum or sums in such manner and upon such terms and conditions in all respects as they think fit and, in particular by the issue of debentures, debenture stock, bonds or other securities of our Company, whether outright or as collateral security for any debt, liability or obligation of our Company or of any third party²¹.

¹⁸ Article 96

¹⁹ Article 82

²⁰ Article 98

²¹ Article 113

DIRECTORS' APPOINTMENT, REMOVAL AND RETIREMENT

Our Company may by ordinary resolution elect any person to be a Director²². No person (other than a Director retiring at the meeting or in accordance with the Articles) shall be appointed or re-appointed a Director at any general meeting unless:

- (a) he is recommended by the Directors; or
- (b) any of the following occurs:
 - (A) a notice executed by a member qualified to attend and vote on the appointment or reappointment has been given to the Company of the intention to propose that person for appointment or reappointment, stating the particulars which would, if he was appointed or reappointed, be required to be included in the Company's register of directors, together with notice executed by that person of his willingness to be appointed or reappointed;
 - (B) the minimum length of the period during which the notices referred to in (A) are given is at least seven days; or
 - (C) the period for lodgement of the notices referred to in (A) will commence no earlier than the day after the despatch of the notice of the meeting appointed for such election and end no later than seven days prior to the date of such meeting²³.

Subject to any express terms to the contrary in the relevant resolution for appointing any Director under the Articles, any Director so elected by our Company shall be elected for a term of not more than approximately three years expiring at the conclusion of the annual general meeting of our Company held in the third year following the year of his appointment²⁴.

Without prejudice to the power of our Company in general meeting in accordance with any of the provisions of the Articles to appoint any person to be a Director, the Board may, at any time, and from time to time, appoint any person to be a Director, either to fill a casual vacancy or by way of addition to their number. Any Director so appointed by the Board shall hold office only until the next following annual general meeting of our Company, and shall then be eligible for re-appointment²⁵.

²² Article 119(a)

²³ Article 120(d)

²⁴ Article 119(b)

²⁵ Article 119(c)

Subject to the Articles, at each annual general meeting, one-third of the Directors (excluding those Director(s) who are not subject to the rotation requirement under the Articles) or, if their number is not three or a multiple of three, the number which is nearest to and is at least one-third, shall retire from office by rotation. A retiring Director shall be eligible for re-election²⁶.

Any Director who holds the position as an executive Director shall not be subject to the foregoing retirement-rotation requirement, but for the avoidance of doubt, the Articles shall not prejudice the power of shareholders in general meeting to remove any such Director²⁷.

Our Company may, at any general meeting convened and held in accordance with the Companies Ordinance, by ordinary resolution, remove a Director (including an executive Director) at any time before the expiration of his period of office (but such removal shall be without prejudice to any claim to damages for breach of any contract of service between the Director and our Company) provided that the notice of such meeting convened for the purpose of removing a Director shall contain a statement of the intention so to do and be served on such Director 28 days before the meeting and on the members, at least 14 days before the meeting. At such meeting such Director shall be entitled to be heard on the motion of his removal and, subject to the Articles, our Company may, by ordinary resolution, appoint another person instead of him. A person so appointed shall be subject to retirement at the same time as if he had become a Director on the day on which the Director in whose place he is appointed was last appointed or reappointed a Director²⁸.

REMUNERATION AND EXPENSES OF DIRECTORS

The Directors shall be entitled to receive by way of remuneration for their services such sum as shall from time to time be determined by our Company in general meeting, such sum (unless otherwise directed by the resolution by which it is voted) to be divided amongst the Directors in such proportions and in such manner as the Directors may agree, or failing agreement, equally, except that in such event any Director holding office for less than the whole of the relevant period in respect of which the remuneration is paid shall only rank in such division in proportion to the time during such period for which he has held office. The foregoing shall not apply to a Director who holds any salaried employment or office in our Company except in the case of sums paid in respect of Directors' fees²⁹.

²⁶ Article 120(a)

²⁷ Article 120(e)

²⁸ Article 121

²⁹ Article 100

The Directors may also be paid all reasonable travelling, hotel and other expenses properly incurred by them in connection with their attendance at meetings of the Directors or of committees of the Directors or general meetings or separate meetings of the holders of any class of shares or otherwise in connection with the discharge of their duties as Directors³⁰.

Any Director who performs services which the Directors consider go beyond the ordinary duties of a Director may be paid such special remuneration (whether by way of bonus, commission, participation in profits or otherwise) as the Directors, or a committee of the Directors, may determine. In particular, the remuneration of a managing Director, joint managing Director, deputy managing Director or other executive Director or a Director appointed to any other office in the management of our Company shall from time to time be fixed by the Directors, or a committee of the Directors, and may be by way of lump sum or by way of salary, bonus, commission, participation in profits or otherwise and with such other benefits (including pension and/or gratuity and/or other benefits on retirement) and allowances as the Directors, or a committee of the Directors may from time to time decide. Such remuneration shall be in addition to his remuneration as a Director³¹.

DIRECTORS' INTERESTS

A Director (including his connected entities) who is in any way, whether directly or indirectly, interested in a transaction, arrangement or contract or proposed transaction, arrangement or contract with our Company shall declare the nature and extent of his interest or his connected entities' interest at a meeting of the Directors at which the question of entering into the transaction, arrangement or contract is first taken into consideration, if he knows his interest then exists, or in any other case as soon as reasonably practicable, and in any event at the first meeting of Directors after he knows that he is or has become so interested³².

Save as otherwise provided by the Articles, a Director and his alternate shall not vote (nor shall be counted in the quorum) at a meeting of the Directors on any resolution approving any transaction, contract or arrangement or concerning a matter in which he or any of his close associate(s) has, directly or indirectly, a material interest (other than an interest in shares, debentures or other securities of, or otherwise in or through, our Company), unless his interest arises only because the case falls within one or more of the following sub-paragraphs:

- (a) the resolution relates to the giving to him or his close associate(s) of a guarantee, security, or indemnity in respect of money lent to, or an obligation incurred by him or any of them at the request of or for the benefit of, our Company or any of its subsidiaries;

³⁰ Article 101

³¹ Article 102

³² Article 125

- (b) the resolution relates to the giving to a third party of a guarantee, security, or indemnity in respect of an obligation of our Company or any of its subsidiaries for which the Director or his close associate(s) has/have himself/themselves assumed responsibility in whole or part and whether alone or jointly with others under a guarantee or indemnity or by the giving of security;
- (c) his interest arises by virtue of his or his close associate(s) being, or intending to become, a participant in the underwriting or sub-underwriting of an offer of any shares in or debentures or other securities of or by our Company or any other corporation which our Company may promote or be interested in subscription, purchase or exchange;
- (d) the resolution relates to an arrangement for the benefit of the employees of our Company or any of its subsidiaries, including but without being limited to the adoption, modification or operation of any pension fund, or retirement, death or disability benefit scheme, which relates to both Directors, his close associate(s) and employees of our Company or any of its subsidiaries and does not accord to any Director or his close associate(s) as such any privilege or advantage not generally accorded to the employees to whom the arrangement relates;
- (e) any transaction, contract or arrangement in which the Director or his close associate(s) is/are interested in the same manner as other holders of shares or debentures or other securities of our Company by virtue only of his/their interest in those shares, debentures or other securities of our Company;
- (f) the resolution relates to an arrangement concerning the adoption, modification or operation of any employee's share scheme, share incentive scheme or share option scheme involving the issue or grant of options over shares or other securities by our Company to, or for the benefit of, the employees of our Company or its subsidiaries under which the Director or his close associate(s) may benefit;
- (g) any contract, transaction or proposal concerning the purchase and/or maintenance of any insurance policy for the benefit of any Director, his close associate(s), officer or employee pursuant to the Articles; or
- (h) any proposal concerning any other company in which the Director or his close associate(s) is interested only, whether directly or indirectly, as an officer or executive or shareholder or in which he or any of his close associate(s) is beneficially interested in shares of that company, provided that he and any of his close associate(s) are not in aggregate beneficially interested in 5% or more of the issued shares of any class of such company (or of any third company through which his interest or that of his close associate(s) is derived) or of the voting rights³³.

³³ Article 128(a)

A Director may:

- (a) hold any other office or place of profit under our Company (other than the office of auditor) in conjunction with his office of Director, for such period and on such terms (as to remuneration or otherwise) as the Directors may determine and such extra remuneration shall be in addition to any remuneration provided for by or pursuant to any other Article;
- (b) act by himself or his firm in a professional capacity for our Company (otherwise than as auditor), and he or his firm shall be entitled to remuneration for professional services as if he were not a Director;
- (c) continue to be or become a director or other officer of, or otherwise interested in, any company promoted by our Company or in which our Company may be interested as a shareholder or otherwise, and subject to the Companies Ordinance, no such Director shall be accountable to our Company for any remuneration or other benefit received by him as a director or officer of, or from his interest in, such other company. The Directors may exercise the voting powers conferred by the shares in any other company held or owned by our Company, or exercisable by them as directors of such other company in such manner in all respects as they think fit (including the exercise thereof in favour of any resolution appointing themselves or any of them directors, managing directors, joint managing directors, deputy managing directors, executive directors, managers or other officers of such company) and any Director may vote in favour of the exercise of such voting rights in the manner aforesaid notwithstanding that he may be, or is about to be appointed a director, managing director, joint managing director, deputy managing director, executive director, manager or other officer of such a company, and that as such he is or may become interested in the exercise of such voting rights in manner aforesaid.

Subject to the Companies Ordinance and the Articles, no Director or intended Director shall be disqualified by his office from contracting with our Company either with regard to his tenure of any such other office or place of profit or as vendor, purchaser or otherwise, nor shall any such transaction, arrangement or contract, or any transaction, arrangement or contract entered into by or on behalf of our Company in which any Director (including his connected entities) is in any way interested be liable to be avoided, nor shall any Director so contracting or being so interested be liable to account to our Company for any profit realised by any such transaction, arrangement or contract by reason of such Director holding that office or of the fiduciary relation thereby established, provided that such Director shall disclose the nature and extent of his (including his connected entities) interest in any transaction, arrangement or contract in which he is interested as required by and subject to the provisions of the Companies Ordinance³⁴.

³⁴ Article 127

A Director shall not be counted in the quorum present at a meeting in relation to a resolution on which he is not entitled to vote³⁵.

DIVIDENDS

Our Company may by ordinary resolution declare dividends but no dividend shall exceed the amount recommended by the Directors. No dividend shall be payable except out of the profits or other distributable reserves of our Company available for distribution³⁶. No dividend or other moneys payable on or in respect of a share in the capital of our Company shall bear interest against our Company³⁷.

Our Company may retain any dividends or other moneys payable on or in respect of a share upon which our Company has a lien, and may apply the same in or towards satisfaction of the debts, liabilities or engagements in respect of which the lien exists. The Directors may deduct from any dividend or bonus payable to any member all sums of money (if any) presently payable by him to our Company on account of calls, instalments or otherwise in relation to the shares of our Company³⁸.

Except as otherwise provided by the Articles or the rights attached to shares or the terms of issue thereof, all dividends shall be declared and paid according to the amounts paid up on the shares on which the dividend is paid. If any share is issued on terms that it ranks for dividend as from a particular date, it shall rank for dividend accordingly. In any other case (and except as aforesaid), dividends shall be apportioned and paid proportionately to the amounts paid up on the shares during any portion or portions of the period in respect of which the dividend is paid. For the purpose of this paragraph, an amount paid up on a share in advance of a call shall be treated, in relation to any dividend declared after the payment but before the call, as not paid up on the share³⁹.

The Directors may pay interim dividends if it appears to them that they are justified by the profits of our Company available for distribution. If the share capital is divided into different classes, the Directors may pay interim dividends on shares which confer deferred or non-preferred rights with regard to dividend as well as on shares which confer preferential rights with regard to dividend, and provided that the Directors act bona fide they shall not incur any liability to the holders of shares conferring preferred rights for any damage that they may suffer by reason of the payment of an interim dividend on any shares having deferred or

³⁵ Article 129

³⁶ Article 143

³⁷ Article 146

³⁸ Article 147

³⁹ Article 148

non-preferred rights. The Directors may also resolve to pay at half-yearly or other suitable intervals to be settled by them any dividend which may be payable at a fixed rate if they are of the opinion that the reserves of our Company justify the payment⁴⁰.

Whenever the Directors or our Company have resolved that a dividend be paid or declared on the share capital of our Company, the Directors may further resolve either:

- (a) that such dividend be satisfied wholly or in part in the form of an allotment of shares credited as fully paid up on the basis that the shares so allotted shall be of the same class or classes as the class or classes already held by the members entitled thereto, provided that these members will be entitled to elect to receive such dividend (or part thereof) in cash in lieu of such allotment or⁴¹;
- (b) that members entitled to such dividend shall be entitled to elect to receive an allotment of shares credited as fully paid up in lieu of the whole or such part of the dividend as the Directors may think fit⁴².

The basis of any such allotment shall be determined by the Directors⁴³. The Directors, after determining the basis of allotment, shall give not less than two weeks' notice in writing to the members of the right of election accorded to them and shall send with such notice forms of election and specify the procedure to be followed and the place at which and the latest date and time by which duly completed forms of election must be lodged in order to be effective⁴⁴.

The shares allotted pursuant to the provisions above shall rank *pari passu* in all respects with the shares then in issue save only as regards participation:

- (a) in the relevant dividend (or the right to receive or to elect to receive an allotment of shares in lieu thereof as aforesaid); or
- (b) in any other distributions, bonuses or rights paid, made, declared or announced prior to or contemporaneously with the payment or declaration of the relevant dividend⁴⁵.

⁴⁰ Article 144

⁴¹ Article 152(a)(i)

⁴² Article 152(a)(ii)

⁴³ Article 152(a)(i)(A)/152(a)(ii)(A)

⁴⁴ Article 152(a)(i)(B)/152(a)(ii)(B)

⁴⁵ Article 152(b)

Whenever the Directors or our Company in general meeting have resolved that a dividend be paid or declared, the Directors may resolve that such dividend be satisfied wholly or in part by the distribution of specific assets of any kind and in particular of paid up shares, debentures or warrants to subscribe securities of our Company or any other corporation to which our Company is entitled, or in any one or more of such ways, with or without offering any rights to members to elect to receive such dividend in cash⁴⁶.

Any dividend unclaimed for one year after having become payable may be invested or otherwise made use of by the Directors for the benefit of our Company until claimed. Any dividend which has remained unclaimed for six years after having become payable shall, if the Directors so resolve, be forfeited and cease to remain owing by our Company⁴⁷.

INDEMNITY

Subject to the provisions of the Companies Ordinance, but without prejudice to any indemnity to which a Director may otherwise be entitled every Director, former Director, responsible person, officer or auditor of our Company shall be indemnified out of the assets of our Company against any liability, loss or expenditure incurred by him in defending any proceedings, whether civil or criminal, which relate to anything done or omitted to be done or alleged to have been done or omitted to be done by him as a Director, former Director, responsible person, officer or auditor of our Company⁴⁸.

The above paragraph shall not apply to:

- (a) any liability of the Director, former Director, responsible person, officer or auditor to pay:
 - (i) a fine imposed in criminal proceedings; or
 - (ii) a sum payable by way of a penalty in respect of non-compliance with any requirement of a regulatory nature; or
- (b) any liability incurred by the Director, former Director, responsible person, officer or auditor:
 - (i) in defending criminal proceedings in which the Director, former Director, responsible person, officer or auditor is convicted;
 - (ii) in defending civil proceedings brought by our Company, or an associated company of our Company, in which judgment is given against the Director, former Director, responsible person, officer or auditor;

⁴⁶ Article 149

⁴⁷ Article 151

⁴⁸ Article 174

- (iii) in defending civil proceedings brought on behalf of our Company by a member of our Company or of an associated company of our Company, in which judgment is given against the Director, former Director, responsible person, officer or auditor;
- (iv) in defending civil proceedings brought on behalf of an associated company of our Company by a member of the associated company or by a member of an associated company of the associated company, in which judgment is given against the Director, former Director, responsible person, officer or auditor; or
- (v) in connection with an application for relief under section 903 or 904 of the Companies Ordinance in which the Court refuses to grant the Director, former Director, responsible person, officer or auditor relief⁴⁹.

WINDING UP

The Directors shall have power in the name and on behalf of our Company to present a petition to the Court for our Company to be wound up⁵⁰.

If our Company is wound up, the liquidator may, with the sanction of a special resolution and any other sanction required by law, divide among the members in specie the whole or any part of the assets of our Company and may, for that purpose, value any assets and determine how the division shall be carried out as between the members or different classes of members. The liquidator may, with the like sanction, vest the whole or any part of the assets in trustees upon such trusts for the benefit of the members as he may with the like sanction determine, but no member shall be compelled to accept any assets upon which there is a liability⁵¹.

UNTRACED MEMBERS

Without prejudice to the rights of our Company, our Company may cease sending such cheques for dividend entitlement or dividend warrants by post if such cheques or warrants have been left uncashed on two consecutive occasions or after the first occasion on which a cheque or warrant is returned undelivered⁵².

Our Company shall be entitled to sell in such manner as the Directors think fit any share held by a member, or any share to which a person is entitled by transmission, if:

- (a) all cheques or warrants, being not less than three in total number, in respect of the shares in question sent during the relevant period in the manner authorised by the articles of our Company have remained uncashed or unclaimed;

⁴⁹ Article 175(a)

⁵⁰ Article 170

⁵¹ Article 171

⁵² Article 177

- (b) so far as it is aware at the end of the relevant period, our Company has not at any time during the relevant period received any indication of the existence of the shareholder who is the holder of such shares or of a person entitled to such shares by death, bankruptcy or operation of law;
- (c) at the end of the relevant period, our Company has caused an advertisement in English in one English language newspaper and in Chinese in one Chinese language daily newspaper and by notice to the Stock Exchange (if shares of the class concerned are listed on that exchange) gives notice of its intention to sell such shares;
- (d) our Company has not during the further period of three months after the date of the advertisement and prior to the sale of the shares received any communication from the member or person concerned.

For the purpose of the foregoing, “relevant period” means the period commencing 12 years before the date of publication of the advertisement referred to in sub-paragraph (c) above and ending at the expiry of the period referred to in that paragraph⁵³.

The manner, timing and terms of any sale of shares pursuant to this Article (including, but not limited to, the price or prices at which the same is made) shall be such as the Directors determine, based upon advice from such bankers, brokers or other persons consulted by them for the purpose as the Directors consider appropriate, to be reasonably practicable having regard to all the circumstances, including the number of shares to be disposed of and the requirement that the disposal be made without delay, and the Directors shall not be liable to any person for any of the consequences of reliance on such advice⁵⁴.

To give effect to the sale of any share pursuant to the above paragraph our Company may appoint any person to execute an instrument of transfer of the share, and the instrument shall be as effective as if it had been executed by the registered holder of or person entitled by transmission to, the share. The purchaser shall not be bound to see to the application of the proceeds of sale, nor shall his title to the share be affected by any irregularity in or invalidity of the proceedings relating to the sale. Our Company shall be indebted to the member or other person entitled to the share for an amount equal to the net proceeds of the sale, but no trust or duty to account shall arise and no interest shall be payable in respect of the proceeds of sale. Any sale under the above paragraphs shall include any additional shares which during the relevant period or during any period ending on the date when all the requirements of sub-paragraphs (a) to (d) above have been satisfied have been issued in respect of those held at the beginning of such relevant period and shall be valid and effective notwithstanding that the member holding the shares sold is dead, bankrupt or otherwise under any legal disability or incapacity⁵⁵.

⁵³ Article 178(a)

⁵⁴ Article 178(b)

⁵⁵ Article 178(c)

1. FURTHER INFORMATION ABOUT OUR GROUP

1.1 Incorporation of our Company

Our Company was incorporated in Hong Kong under the Companies Ordinance as a private company with limited liability on April 19, 2012 under the name of Universal International Leasing Co., Limited 環球國際租賃有限公司 with the initial registered share capital of US\$62,525,600 divided into 62,525,600 ordinary shares (then having a par value of US\$1 each). Our registered office is at Room 3302-3303, Office Tower, Convention Plaza, No. 1 Harbour Road, Wanchai, Hong Kong. Our Company changed our company's status from a private company to a public company following the approval and adoption of the Articles of Association (which have taken effect from June 23, 2015) by our Shareholders by way of resolutions in writing passed on June 10, 2015.

On February 17, 2015, the name of our Company was changed to "Universal Medical Services & Health Management Company Limited 環球醫療服務有限公司" from "Universal International Leasing Co., Limited 環球國際租賃有限公司". Since June 11, 2015, our name has been changed to "Universal Medical Financial & Technical Advisory Services Company Limited 環球醫療金融與技術諮詢服務有限公司".

As our Company was incorporated in Hong Kong, our operations are subject to the Companies Ordinance, the COWUMPO and the Articles of Association. A summary of certain provisions of the Articles of Association is set out in Appendix III to this prospectus.

1.2 Changes in the share capital of our Company

(a) Changes in the then authorised and issued share capital

As at the date of incorporation of our Company, GT-HK was the sole shareholder of our Company holding 62,525,600 ordinary shares of US\$1 each, being the then entire registered and issued share capital. The following alterations in the share capital of our Company have taken place since the date of incorporation up to the date of this prospectus:

- (i) on June 19, 2012, our then authorised and issued share capital were increased to US\$122,599,216 divided into 122,599,216 ordinary shares of US\$1 each by the creation of an additional 60,073,616 ordinary shares of US\$1 each, of which 50,265,679 ordinary shares and 9,807,937 ordinary shares of US\$1 each were allotted and issued for cash at an issue price of US\$50,265,679 and US\$9,807,937 to CITIC Capital Leasing and Jublon respectively;
- (ii) on February 21, 2014, our then authorised and issued share capital were increased to US\$172,599,216 divided into 172,599,216 ordinary shares of US\$1 each by the injection of additional share capital in the sum of US\$50 million;
- (iii) on October 28, 2014, our issued share capital was increased to US\$253,913,216 by the injection of additional capital in the sum of US\$81,314,000; and
- (iv) pursuant to the written resolutions passed by all of our Shareholders on June 10, 2015, among others, each existing share in the capital of our Company was subdivided into five Shares in the capital of our Company with effect from June 11, 2015. The total number of Shares then became 1,269,566,080 Shares.

With effect from March 3, 2014, following the Companies Ordinance becoming effective, provisions in the Articles concerning (among other matters) authorised share capital and par value of shares were abolished.

See “Incorporation of our Company, changes of equity-holders of (and capital in) CU Leasing, and investments by strategic investors in our Company in 2012” and “Change in Capital and Shareholders of our Company” in “History and Development” in this prospectus for the details of changes in the share capital of our Company.

(b) Information as of the Latest Practicable Date and immediately after the Global Offering

The following is a description of the share capital of our Company in issue and to be issued as fully paid immediately prior to and following the completion of the Global Offering:

Issued and to be issued and fully paid

1,269,566,080	Shares in issue as at the date of this prospectus
<u>423,189,500</u>	Shares to be issued pursuant to the Global Offering
<u>1,692,755,580</u>	Total

Assumptions

The above table assumes that the Global Offering becomes unconditional and Shares are issued pursuant to the Global Offering. It takes no account of any Shares which may be issued upon the exercise of the Over-Allotment Option or of any Shares which may be issued or repurchased by us pursuant to the general mandates granted to our Directors to issue or repurchase Shares as described below.

Immediately following completion of the Global Offering and upon the exercise of the Over-Allotment Option in full, it is expected that the share capital of our Company will be comprised of 1,756,233,580 Shares.

(c) Founder shares

Our Company has no founder shares, management shares or deferred shares.

Other than pursuant to the exercise of the Over-Allotment Option, there is no present intention to issue any shares of our Company and, without the prior approval of our Shareholders in general meeting, no issue of Shares will be made which would effectively alter the control of our Company.

Save as disclosed above, there has been no alteration in the share capital of our Company since our incorporation.

1.3 Resolutions in writing of our Shareholders passed on June 10, 2015

Pursuant to the written resolutions passed by all of our Shareholders on June 10, 2015, among others:

- (a) the subdivision of each existing share in the capital of our Company into five (5) Shares in the capital of our Company with effect from June 11, 2015;
- (b) the Articles of Association were approved and adopted with effect from the date of registration of this prospectus with the Registrar of Companies in Hong Kong;
- (c) conditional on all the conditions set out in the paragraph headed “Structure of the Global Offering—Conditions of the Hong Kong Public Offering” in this prospectus being fulfilled:
 - (i) the Listing and the Global Offering and the grant of the Over-Allotment Option were approved and the Directors were authorised to allot and issue the Offer Shares pursuant to the Global Offering and such number of Shares as may be required to be allotted and issued upon the exercise of the Over-Allotment Option;
 - (ii) a general unconditional mandate was given to the Directors to exercise all powers of our Company to allot, issue and deal with, otherwise than by way of rights issue, scrip dividend schemes or similar arrangements providing for allotment of Shares in lieu of the whole or in part of any dividend in accordance with the Articles of Association, or under the Global Offering, or issue of Shares upon exercise of rights of subscription or conversion attaching to any warrants of our Company or any securities which are convertible into Shares, Shares with an aggregate number of not exceeding the sum of (aa) 20% of the total number of Shares in issue immediately following completion of the Global Offering but excluding (where applicable) any shares which may be issued pursuant to the exercise of the Over-Allotment Option and (bb) the number of Shares which may be purchased by our Company pursuant to the authority granted to the Directors as referred to in sub-paragraph (iii) below, until the conclusion of the next annual general meeting of our Company, or the date by which the next annual general meeting of our Company is required by the Articles of Association or the Companies Ordinance to be held, or the passing of an ordinary resolution by our Shareholders revoking or varying the authority given to the Directors, whichever occurs first;
 - (iii) a general unconditional mandate (the “**Repurchase Mandate**”) was given to the Directors to exercise all powers of our Company to purchase Shares with an aggregate number of not exceeding 10% of the total number of Shares in issue immediately following the completion of the Global Offering but excluding (where applicable) any shares which may be issued pursuant to the exercise of the Over-Allotment Option until the conclusion of the next annual general meeting of our Company, or the date by which the next annual general meeting of our Company is required by the Articles of Association or the Companies Ordinance to be held, or the passing of an ordinary resolution by our Shareholders revoking or varying the authority given to the Directors, whichever occurs first; and

- (iv) the extension of the general mandate to allot, issue and deal with Shares to include the number of Shares which may be purchased or repurchased pursuant to paragraph (iii) above;
- (d) the form and substance of each of the service contracts (including the duration thereof) made between our executive Directors and our Company were approved.

1.4 Further information about our Group's subsidiaries

Our Group has interest in the registered or share capital of four subsidiaries. A summary of the corporate information of these enterprises as of the Latest Practicable Date is set out as follows:

		<u>1. Uni-One</u>	<u>2. Uni-Two</u>	<u>3. CU Leasing</u>
(i)	Full name of company	Universal Number One Co., Ltd.	Universal Number Two Co., Ltd.	China Universal Leasing Co., Ltd. (中國環球租賃有限公司)
(ii)	Place of establishment	The Cayman Islands	The Cayman Islands	The PRC
(iii)	Date of establishment	June 30, 2008	June 30, 2008	November 1, 1984
(iv)	Economic nature	Limited liability company	Limited liability company	Wholly foreign-owned enterprise
(v)	Registered holder(s)	Our Company	Our Company	Our Company
(vi)	Registered capital fully paid up	US\$1	US\$1	US\$203,887,616
(vii)	Term of operation (or, where applicable, its expiry date)	N/A	N/A	October 31, 2034
(viii)	Equity interest attributable to our Group (%)	100%	100%	100%

<u>4. UI Leasing (TJ)</u>		
(i)	Full name of company	Universal International Financial Leasing (Tianjin) Co., Ltd. (環球國際融資租賃(天津)有限公司)
(ii)	Place of establishment	The PRC
(iii)	Date of establishment	December 10, 2014
(iv)	Economic nature	Sino-foreign equity joint venture enterprise
(v)	Registered holder(s)	Our Company (25%) CU Leasing (75%)
(vi)	Registered capital	US\$50 million
(vii)	Term of operation (or, where applicable, its expiry date)	December 9, 2044
(viii)	Equity interest attributable to our Group (%)	100% (note)

Note:

Our Company is the holder of 25% equity interest (equivalent to US\$12.5 million) in UI Leasing (TJ). As of the Latest Practicable Date, our Company and CU Leasing had made their respective capital contributions to UI Leasing (TJ) in full.

As of the Latest Practicable Date, Uni-One was the issuer of the 2017 Bonds and Uni-Two was a dormant company.

The scope of permitted business as recorded in the business licences of our respective PRC subsidiaries as of the Latest Practicable Date was set out below:

CU Leasing	1. financial leasing business; 2. leasing business; 3. domestic and overseas purchase of properties for leasing; 4. managing the residual value and repair of leased properties; 5. consultancy for leasing transactions and provision of guarantee; 6. import and export agency, wholesale of medical equipment (subject to operating permit for operation), wholesale of electromechanical products
UI Leasing (TJ)	Financial leasing business, leasing business, domestic and overseas purchase of properties for leasing, managing the residual value and repair of leased properties, consultancy for leasing transactions and provision of guarantee

1.5 Changes in the share capital and shareholder of our subsidiaries

Particulars of our subsidiaries are set out in the accountants' report in Appendix I to this prospectus.

Changes in the share capital and shareholder of our subsidiaries during the Track Record Period and within two years immediately preceding the date of this prospectus are set forth below.

Change in registered capital in CU Leasing

Prior to the increase in registered capital took place in mid-2012, the registered capital of CU Leasing amounted to US\$25 million. In connection with the increases in issued share capital in our Company which took place between 2012 and 2014, the funds then raised were mostly used to be injected by our Company, in cash, into CU Leasing as additional capital contribution to finance its business operations. Brief details of such capital injections are set out as follows:

Additional capital contributed by our Company (US\$)	Registered capital of CU Leasing immediately after such capital contribution (US\$)	Date of capital contribution made
60,073,616	85,073,616	August 2012
50,000,000	135,073,616	March 2014
68,814,000	203,887,616	November 2014

As advised by our PRC Legal Advisor, all necessary approvals, permits and licences as required under the PRC law in relation to the above change in registered capital in CU Leasing have been obtained by our Group.

Change in shareholders of Uni-One

As at the date of its incorporation on June 30, 2008, Uni-One had an authorised share capital of US\$50,000 divided into 50,000 shares of US\$1 each. One subscriber share was allotted and issued, credited as fully paid up, to Company Secretaries Limited. On June 30, 2008, the said one share of Uni-One was transferred to Grand Ocean Shipping Company Limited (“**Grand Ocean**”), a wholly-owned subsidiary of GT-PRC at the consideration of US\$1.

On January 10, 2014, the said one share of Uni-One was transferred by Grand Ocean to our Company at the consideration of US\$1.

Change in shareholders of Uni-Two

As at the date of its incorporation on June 30, 2008, Uni-Two had an authorised share capital of US\$50,000 divided into 50,000 shares of US\$1 each. One subscriber share was allotted and issued, credited as fully paid up, to Company Secretaries Limited. On June 30, 2008, the said one share of Uni-Two was transferred to Grand Ocean at the consideration of US\$1.

On January 10, 2014, the said one share of Uni-Two was transferred by Grand Ocean to our Company at the consideration of US\$1.

1.6 Repurchases by our Company of our own securities

This section sets out information required by the Stock Exchange to be included in this prospectus concerning the repurchase by our Company of our own securities.

(a) Provisions of the Listing Rules

The Listing Rules permit companies with a primary listing on the Stock Exchange to repurchase their own securities on the Stock Exchange subject to certain restrictions, the more important of which are summarised below:

(i) *Shareholders’ approval*

All proposed repurchase of securities (which must be fully paid up in the case of shares) by a company with a primary listing on the Stock Exchange must be approved in advance by an ordinary resolution of the shareholders, either by way of general mandate or by specific approval of a particular transaction.

(ii) *Source of funds*

Repurchases must be funded out of funds legally available for the purpose in accordance with the Articles of Association of our Company and the Listing Rules and the applicable laws of Hong Kong. A listed company may not repurchase its own securities on the Stock Exchange for a consideration other than cash or for settlement otherwise than in accordance with the trading rules of the Stock Exchange from time to time.

(iii) *Trading Restrictions*

The total number of shares which a listed company may repurchase on the Stock Exchange is the number of shares representing up to a maximum of 10% of the aggregate number of shares in issue. A listed company may not issue or announce a proposed issue of new securities for a period of 30 days immediately following a repurchase (other than an issue of securities pursuant to an exercise of warrants, share options or similar instruments requiring the company to issue securities which were outstanding prior to such repurchase) without the prior approval of the Stock Exchange. In addition, a listed company is prohibited from repurchasing its shares on the Stock Exchange if the purchase price is 5% or more than the average closing market price for the five preceding trading days on which its shares were traded on the Stock Exchange. The Listing Rules also prohibit a listed company from repurchasing its securities which would result in the number of the listed securities which are in the hands of the public falling below the relevant prescribed minimum percentage as required by the Stock Exchange. A listed company is required to procure that the broker appointed by it to effect a repurchase of securities discloses to the Stock Exchange such information with respect to the repurchase as the Stock Exchange may require.

(iv) *Status of repurchased shares*

All repurchased securities (whether effected on the Stock Exchange or otherwise) will be automatically delisted and the certificates for those securities must be cancelled and destroyed.

(v) *Suspension of repurchase*

A listed company shall not make any repurchase of securities on the Stock Exchange at any time after inside information has come to its knowledge until the information is made publicly available. In particular, during the period of one month immediately preceding the earlier of (a) the date of the board meeting (as such date is first notified to the Stock Exchange in accordance with the Listing Rules) for the approval of a listed company's results for any year, half year, quarterly or any other interim period (whether or not required under the Listing Rules) and (b) the deadline for publication of an announcement of a listed company's results for any year or half-year under the Listing Rules, or quarterly or any other interim period (whether or not required under the Listing Rules), and ending on the date of the results announcement, the listed company may not repurchase its shares on the Stock Exchange other than in exceptional circumstances. In addition, the Stock Exchange may prohibit a repurchase of securities on the Stock Exchange if a listed company has breached the Listing Rules.

(vi) *Reporting requirements*

Certain information relating to repurchases of securities on the Stock Exchange or otherwise must be reported to the Stock Exchange not later than 30 minutes before the earlier of the commencement of the morning trading session or any pre-opening session on the following Business Day. In addition, a listed company's annual report is required to disclose details regarding repurchases of securities made during the year, including a monthly analysis of the number of securities repurchased, the purchase price per share or the highest and lowest price paid for all such purchase, where relevant, and the aggregate prices paid.

(vii) *Core connected persons*

A listed company is prohibited from knowingly repurchasing securities on the Stock Exchange from a "core connected person", that is, a director, chief executive or substantial shareholder of the company or any of its subsidiaries or their close associates and a core connected person is prohibited from knowingly selling his securities to the company on the Stock Exchange.

(b) Reasons for repurchases

Our Directors believe that the ability to repurchase Shares is in the interests of our Company and our Shareholders. Repurchases may, depending on the circumstances, result in an increase in the net assets and/or earnings per Share. Our Directors have sought the grant of a general mandate to repurchase Shares to give our Company the flexibility to do so if and when appropriate. The number of Shares to be repurchased on any occasion and the price and other terms upon which the same are repurchased will be decided by our Directors at the relevant time having regard to the circumstances then pertaining.

(c) Funding of repurchases and impact on working capital or gearing position

In repurchasing securities, our Company may only apply funds lawfully available for such purpose in accordance with its Articles of Association, the Listing Rules and the applicable laws of Hong Kong.

There could be a material adverse impact on the working capital or gearing position of our Company (as compared with the position disclosed in this prospectus) in the event that the Repurchase Mandate were to be carried out in full at any time during the share repurchase period.

However, our Directors do not propose to exercise the Repurchase Mandate to such extent as would, in the circumstances, have a material adverse effect on the working capital requirements of our Company or the gearing levels which in the opinion of our Directors are from time to time appropriate for our Company.

(d) General

The exercise in full of the Repurchase Mandate, on the basis of 1,692,755,580 Shares in issue immediately following the completion of the Global Offering (assuming the Over-Allotment Option is not exercised), could accordingly result in up to approximately 169,275,558 Shares being repurchased by our Company during the period prior to the earliest occurrence of any of the following:

- (i) the conclusion of our next annual general meeting; or
- (ii) the end of the period within which we are required by any applicable law or the Articles of Association to hold our next annual general meeting; or
- (iii) when varied or revoked by an ordinary resolution of our Shareholders in general meeting.

None of our Directors nor, to the best of their knowledge having made all reasonable enquiries, any of their close associates currently intends to sell any Shares to our Company.

Our Directors have undertaken to the Stock Exchange that, so far as the same may be applicable, they will exercise the Repurchase Mandate in accordance with the Listing Rules, the Articles and the applicable laws in Hong Kong.

If, as a result of any repurchase of Shares, a Shareholder's proportionate interest in the voting rights of our Company is increased, such increase will be treated as an acquisition for the purposes of the Takeovers Code. Accordingly, a Shareholder or a group of Shareholders acting in concert could obtain or consolidate control of our Company and become obliged to make a mandatory offer in accordance with Rule 26 of the Takeovers Code.

Immediately following completion of the Global Offering but excluding any shares which may be issued pursuant to the exercise of the Over-Allotment Option, on the basis that GT-PRC (through GT-HK and CGCI-HK) will be interested in 647,478,700 Shares, representing approximately 38.25% of the total issued share capital of our Company, if the Repurchase Mandate were exercised in full, the percentage shareholding of GT-PRC would increase to approximately 42.50%. Such increase would give rise to an obligation of GT-PRC to make a mandatory offer under Rule 26 of the Takeovers Code. However, our Directors have no intention to exercise the Repurchase Mandate to the extent of obliging GT-PRC to make a mandatory offer under the Takeovers Code. Save as aforesaid, our Directors are not aware of any consequences which would arise under the Takeovers Code as a consequence of any repurchases pursuant to the Repurchase Mandate.

Any repurchase of Shares that results in the number of Shares held by the public being reduced to less than 25% of the Shares then in issue could only be implemented if the Stock Exchange agreed to waive the Listing Rules requirements regarding the public shareholding referred to above. It is believed that a waiver of this provision would not normally be given other than in exceptional circumstances.

No core connected person of our Company has notified our Company that he or she has a present intention to sell Shares to our Company, or has undertaken not to do so, if the Repurchase Mandate is exercised.

1.7 Changes in the equity and loan capital, and equity-holders and loan-creditors of CU Leasing prior to the Track Record Period

In 2005, CU Leasing underwent certain reforms in connection with its corporate structure and business operation, which involved the following major restructuring steps:

- (A) In November 2005, GT-PRC and GT-HK (a wholly owned subsidiary of GT-PRC) acquired the entire equity interest in CU Leasing, and the following table summarized the transfers of equity capital in CU Leasing involved:

Transferor	Transferee	Percentage of equity interest in CU Leasing being transferred	Transfer price (Note 1)
CNTIC	GT-PRC	10%	Nil
CN Machinery	GT-PRC	10%	Nil
CN Instruments	GT-PRC	10%	Nil
China Orient Asset Management Corporation (中國東方資產管理公司) (Note 2)	GT-PRC	24%	RMB90,000
UFJ Bank Limited	GT-HK	23%	US\$10,000
Dresdner Bank AG	GT-HK	23%	US\$10,000

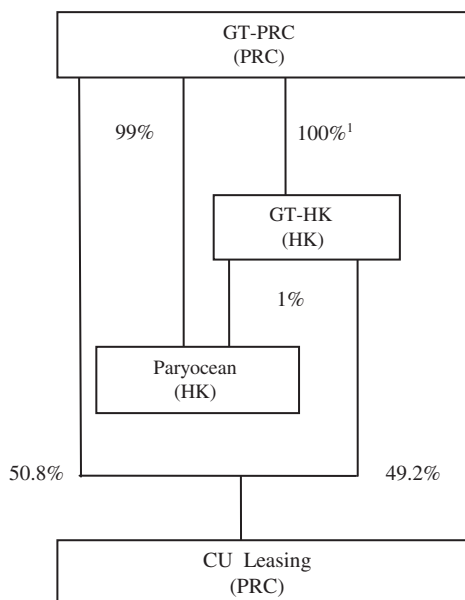
Notes:

- (1) At the material time, CU Leasing had negative net asset value, as CNTIC, CN Machinery and CN Instruments were wholly-owned subsidiaries of GT-PRC, parties had agreed to transfer the said 30% equity interest at nil consideration. The transfer prices payable to China Orient Asset Management Corporation, UFJ Bank Limited and Dresdner Bank AG were determined on arm's length basis as a result of negotiation between parties, having regard to that CU Leasing then had negative net asset value.
- (2) Such 24% equity interest was acquired by China Orient Asset Management Corporation from Bank of China Trust and Consulting Company (中國銀行信託諮詢公司) (now known as China Orient Trust and Investment Company (中國東方信託投資公司)) in November 2001.

(B) In December 2005, the registered capital of CU Leasing was approved by MOFCOM to be increased from US\$5 million¹ to US\$25 million. The increased amount of registered capital of US\$20 million was contributed in cash as to US\$10 million by GT-PRC and US\$10 million by GT-HK respectively in July 2006.

Immediately following the completion of transfer of equity interests and the increase of registered capital outlined in paragraphs (A) and (B) above, the registered capital of CU Leasing became US\$25 million and was held as to US\$12.7 million (50.8%) by GT-PRC and as to US\$12.3 million (49.2%) by GT-HK.

The following chart depicts the equity-holding structure of CU Leasing as at January 1, 2007:



Note:

At that time, the entire issued share capital of GT-HK was held by GT-PRC and Paryocean as to 95% and 5% respectively. The entire issued share capital in Paryocean was held by GT-PRC and GT-HK as to 99% and 1% respectively. As the ultimate beneficial owner of the entire share capital in GT-HK was GT-PRC, CU Leasing then became a wholly-owned subsidiary of GT-PRC.

¹ In April 1989, CU Leasing's initial registered capital of US\$3 million was increased to US\$4 million by the way of capitalization of after-tax profit for the year 1987 in the amount of US\$1 million. The registered capital was further increased to US\$5 million in May 1990 by way of capitalization of after-tax profit for the year 1989 in the amount of US\$1 million.

(C) In connection with the above changes in equity-capital in CU Leasing, changes in shareholders' loans advanced by the foreign joint-venture partners of CU Leasing also took place:

(i) In November 2005, GT-HK acquired the following loans advanced to CU Leasing from the following creditors:

Creditor (Seller of the loan)	Principal amount acquired	Acquisition price
Dresdner Bank AG	US\$11,117,476.99	US\$70,000
UFJ Bank Limited	US\$11,403,000	US\$70,000

(ii) In November 2006, GT-HK transferred part of the above loan in the amount of US\$11,440,402.31 to GT-PRC at the consideration of US\$71,120.

(D) In December 2006, the registered capital of CU Leasing was approved by MOFCOM to be increased from US\$25 million to US\$47,520,476.99 by way of capitalization of shareholders loans in the amounts of US\$11,440,402.31 then owing to GT-PRC and US\$11,080,074.68 then owing to GT-HK.

(E) Subsequently in 2007, the registered capital of CU Leasing was approved by MOFCOM to be reduced from US\$47,520,476.99 to US\$25 million to make up for the operating loss of CU Leasing.

Following the changes as outlined in paragraphs (C) to (E) above, the registered capital of CU Leasing as at April 2007 became US\$25 million and was held as to 50.8% and 49.2% by GT-PRC and GT-HK respectively.

1.8 Special rights granted to CITIC Capital Leasing and Jublon under the 2012 Subscription Agreement

Under the 2012 Subscription Agreement, the 2012 Subscribers were granted certain special rights. All the provisions of the 2012 Subscription Agreement conferring the above special rights ceased to be effective and have been superseded by the 2014 Shareholders Agreement. The following is a summary of such special rights conferred to the 2012 Subscribers under the 2012 Subscription Agreement (and which special have, as mentioned, been superseded by the 2014 Shareholders Agreement):

- (a) CU Leasing shall not after January 1, 2012 pay any dividends without prior written consent of the 2012 Subscribers;
- (b) right to obtain certain financial information of our Company and CU Leasing and to conduct investigation and/or audit on financial information of our Company and CU Leasing;

- (c) right to nominate some directors and deputy general manager of our Company and CU Leasing. Under the 2012 Subscription Agreement, the 2012 Subscribers were entitled to nominate three out of six directors of each of our Company and CU Leasing;
- (d) prior unanimous or majority consent from directors of our Company and CU Leasing (including those nominated by the 2012 Subscribers) for certain major corporate actions concerning our Company and CU Leasing (including but not limited to liquidation, enter into amalgamation or merger, change of principal business, sale of assets or business exceeding certain amounts, amendment to the articles of association, and declaration and payment of dividend);
- (e) in the event that the initial public offering of our Company shall not occur by the fourth anniversary of the completion of the 2012 Subscription Agreement, and that any of the following events occurs concerning our Company or CU Leasing:
 - (i) termination of its operation, or being liquidated, wound up or dissolved;
 - (ii) prior to the qualified initial public offering as referred to in the 2012 Subscription Agreement (“**Qualified IPO**”, which include the Listing described in this prospectus), any amalgamation, acquisition or equity transfer being entered into, which results in the aggregate shareholding of GT-PRC, GT-HK, CITIC Capital Leasing and Jublon in the then subsisting entity being less than 50%; or
 - (iii) prior to the Qualified IPO, assets of our Company or CU Leasing representing more than 30% of their respective audited total asset value of the preceding year being disposed of,

the 2012 Subscribers shall have right, in priority to GT-HK, to receive a sum equal to (xx) 1.5 times the subscription price payable by such investor plus any declared dividend but not yet paid or (yy) the amount of assets of our Company available for distribution among shareholders in accordance with their *pro rata* shareholding interest in the share capital of our Company upon liquidation, whichever is the higher amount;

- (f) for so long as the 2012 Subscribers together are interested in 5% or more of the issued share capital in our Company, negative pledges restricting GT-PRC from disposing of and pledging the direct or indirect equity interest in CU Leasing;
- (g) for so long as the 2012 Subscribers together are interested in 5% or more of the issued share capital of our Company, right of first refusal or tag-along rights (which may be exercised at its discretion) in accordance with the 2012 Subscribers’ *pro rata* shareholding interest in the share capital of our Company in the event of any disposal of shares in our Company by GT-PRC and GT-HK. Where the number of shares being disposed of by GT-PRC and GT-HK represent 30% or more of our issued share capital, the 2012 Subscribers shall have priority to dispose of all of their shares in our Company to the potential purchaser;

- (h) in the event of issuance and allotment of new shares and/or convertible notes, pre-emptive rights which may be exercised in proportion to its shareholding interest in the issued share capital in our Company.

It is also provided under the 2012 Subscription Agreement that after the Qualified IPO, during the period commencing from the listing of our Company and expiring on the earlier of,

- (xx) the date on which the 2012 Subscribers together cease to own at least 5% of the total issued share capital of our Company; and
- (yy) the fifth anniversary of the Qualified IPO,

GT-HK shall not dispose of any of its shares in our Company exceeding such proportion the 2012 Subscribers will have disposed of their shares in our Company and to the extent that its shareholding in our Company is less than 20% of our total issued share capital. The above undertaking ceased to be effective under the 2014 Shareholders Agreement.

It is also provided under the 2012 Subscription Agreement that for a period of four (4) years from the completion date of the 2012 Subscription Agreement, the 2012 Subscribers shall not directly or indirectly dispose of their equity interest in CU Leasing to third parties unless written consent from GT-HK is obtained, and GT-HK shall have right of first refusal to take up any such shares in case of such disposal by the 2012 Subscribers. The above restriction ceased to be effective and was superseded by the 2014 Shareholders Agreement.

2. FURTHER INFORMATION ABOUT OUR BUSINESS

2.1 Summary of material contracts

The following contracts (not being contracts entered into in the ordinary course of business) were entered into by our Company or our subsidiaries within the two years preceding the date of this prospectus and are or may be material:

- (a) the 2014 Shareholders Agreement (in Chinese);
- (b) the Deed of Non-competition (in Chinese);
- (c) a cornerstone investment agreement dated 20 June 2015 and entered into between our Company, Goldman Sachs (Asia) L.L.C. (“**GS**”), Nomura International (Hong Kong) Limited (“**Nomura**”) and Yi Fang Da Apollo Inv. Limited (“**YFD**”), pursuant to which YFD agreed to procure the subscription for and our Company agreed to allot and issue such number of Offer Shares which may be purchased with Hong Kong dollars equivalent to US\$30 million at the Offer Price;
- (d) a cornerstone investment agreement (in Chinese) dated 19 June 2015 and entered into between our Company, GS, Nomura and Beijing Cihang Investment Fund Management Co., Ltd. (“**Beijing Cihang**”), pursuant to which Beijing Cihang agreed to subscribe for and our Company agreed to allot and issue such number of Offer Shares which may be purchased with Hong Kong dollars equivalent to US\$30 million at the Offer Price;

- (e) a cornerstone investment agreement dated 19 June 2015 and entered into between our Company, GS, Nomura and Nikko Asset Management Asia Limited (“**Nikko AM Asia**”), pursuant to which Nikko AM Asia agreed to subscribe for and our Company agreed to allot and issue such number of Offer Shares which may be purchased with Hong Kong dollars equivalent to US\$20 million at the Offer Price;
- (f) a cornerstone investment agreement dated 19 June 2015 and entered into between our Company, GS, Nomura and CSR (Hong Kong) Co. Limited (“**CSR HK**”), pursuant to which CSR HK agreed to subscribe for and our Company agreed to allot and issue such number of Offer Shares which may be purchased with Hong Kong dollars equivalent to US\$30 million at the Offer Price;
- (g) a cornerstone investment agreement (in Chinese) dated 19 June 2015 and entered into between our Company, GS, Nomura and China Innovative Capital Management Limited (“**CICM**”), pursuant to which CICM agreed to subscribe for and our Company agreed to allot and issue such number of Offer Shares which may be purchased with Hong Kong dollars equivalent to US\$10 million at the Offer Price;
- (h) a cornerstone investment agreement dated 19 June 2015 and entered into between our Company, GS, Nomura, ICBC International Capital Limited (“**ICBCIC**”) and GF Fund Management Co., Ltd. (“**GF Fund**”), pursuant to which GF Fund agreed to procure the subscription for and our Company agreed to allot and issue such number of Offer Shares which may be purchased with Hong Kong dollars equivalent to US\$30 million at the Offer Price;
- (i) a cornerstone investment agreement dated 19 June 2015 and entered into between our Company, GS, Nomura, ICBCIC and Heywin Investments Limited (“**Heywin**”), pursuant to which Heywin agreed to subscribe for and our Company agreed to allot and issue such number of Offer Shares which may be purchased with Hong Kong dollars equivalent to US\$10 million at the Offer Price;
- (j) a cornerstone investment agreement dated 19 June 2015 and entered into between our Company, GS, Nomura, ICBCIC and Estate Summer Limited (“**Estate Summer**”), pursuant to which Estate Summer agreed to subscribe for and our Company agreed to allot and issue such number of Offer Shares which may be purchased with Hong Kong dollars equivalent to US\$10 million at the Offer Price;
- (k) a cornerstone investment agreement (in Chinese) dated 19 June 2015 and entered into between our Company, GS, Nomura, CCB International Capital Limited and Hengjian International Investment Holding (Hong Kong) Limited (“**Hengjian International**”), pursuant to which Hengjian International agreed to subscribe for and our Company agreed to allot and issue such number of Offer Shares which may be purchased with Hong Kong dollars equivalent to US\$10 million at the Offer Price;
- (l) a cornerstone investment agreement (in Chinese) dated 19 June 2015 and entered into between our Company, GS, Nomura, CLSA Limited and Beijing Infrastructure

Investment (Hong Kong) Limited (“**Beijing Infrastructure**”), pursuant to which Beijing Infrastructure agreed to subscribe for and our Company agreed to allot and issue such number of Offer Shares which may be purchased with Hong Kong dollars equivalent to US\$20 million at the Offer Price; and












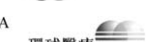

(m) the Hong Kong Underwriting Agreement.

2.2 Intellectual property rights of our Group

As of the Latest Practicable Date, we had applied for the registration of the following intellectual property rights which are material in relation to our business.

(a) Trademarks

As of the Latest Practicable Date, members of our Group made applications for registration of the following trademarks which are material to our business, registration of each of which has not yet been granted:

No.	Trademark	Class	Applicant	Place of application	Application number	Application date
1.		5	CU Leasing	PRC	14458025	April 25, 2014
2.		41	CU Leasing	PRC	14458026	April 25, 2014
3.		7	CU Leasing	PRC	14458027	April 25, 2014
4.		36	CU Leasing	PRC	14458128	April 25, 2014
5.		37	CU Leasing	PRC	14458129	April 25, 2014
6.		10	CU Leasing	PRC	14458130	April 25, 2014
7.		44	CU Leasing	PRC	14458131	April 25, 2014
8.	A  B 	10, 36, 42, 44	our Company	HK	303313935	February 27, 2015
9.	A  B 	10, 36, 42, 44	our Company	HK	303313944	February 27, 2015
10.	A  B 	10, 36, 42, 44	our Company	HK	303330189	March 16, 2015

(b) Domain Names

As of the Latest Practicable Date, CU Leasing, a member of our Group registered the following domain names in the PRC which are material to our business:

Serial No.	Domain name	Registrant	Valid period
(i)	unimedicalservice.com	CU Leasing	March 15, 2015 — March 15, 2020
(ii)	unimedicalservice.cn	CU Leasing	March 15, 2015 — March 15, 2020
(iii)	universalmsm.cn	CU Leasing	March 2, 2015 — March 2, 2020
(iv)	universalmsm.com	CU Leasing	March 2, 2015 — March 2, 2020

3. FURTHER INFORMATION ABOUT OUR DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

3.1 Disclosure of Interests

(a) Interests of our Directors and the chief executive of our Company

Immediately following the completion of the Global Offering and without taking into account any Shares which may be issued pursuant to the exercise of the Over-Allotment Option, the interests or short positions of the Directors and the chief executive of our Company in the shares, underlying shares and debentures of our Company or its associated corporations (within the meaning of Part XV of the SFO) which will be required to be notified to our Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were 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 into in the register referred to in that section, or which will be required, pursuant to the

Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 to the Listing Rules, to be notified to our Company and the Stock Exchange, will be as follows:

Long positions in Shares of our Company

Name of Director	Nature of interest/Capacity	Relevant company (including associated corporations)	Number of shares (or, as the case may be, amount of registered capital) in the relevant company	Approximate percentage of shareholding
Mr. Guo (<i>Note 1</i>) . . .	Interest of controlled corporation	Our Company	15,234,795	0.90%
Ms. Peng (<i>Note 2</i>) . . .	Interest of controlled corporation	Our Company	7,617,400	0.45%
Mr. Zhang Yichen (<i>Note 3</i>)	Interest of controlled corporation	Our Company	244,326,695	14.43%

Notes:

- (1) Mr. Guo is the sole legal and beneficial owner of ITCCL which is the registered owner of the said 15,234,795 Shares. By virtue of the SFO, Mr. Guo is deemed to be interested in the Shares held by ITCCL.
- (2) Ms. Peng is the sole legal and beneficial owner of Evergreen which is the registered owner of the said 7,617,400 Shares. By virtue of the SFO, Ms. Peng is deemed to be interested in the Shares held by Evergreen.
- (3) Please refer to note (2) on p. IV-21 for details of Mr. Zhang Yichen's interest in Shares of our Company.

(b) Interests of our Substantial Shareholders

So far as is known to any Director or chief executive of our Company, immediately following the completion of the Global Offering and without taking into account any Shares which may be issued pursuant to the exercise of the Over-Allotment Option, the following persons (other than a Director or chief executive of our Company) will have an interest or short position in the Shares or the underlying Shares which would fall 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 are, directly or indirectly, interested in 10% or more of the issued voting shares of any other member of our Group:

Long Positions in the Shares and the underlying Shares

Name of Shareholder	Nature of interest/Capacity	Number of Shares	Approximate percentage of shareholding
GT-HK	Beneficial owner	584,000,395	34.50%
GT-PRC (<i>Note 1</i>)	Interest of controlled corporation	647,478,700	38.25%

Name of Shareholder	Nature of interest/Capacity	Number of Shares	Approximate percentage of shareholding
CITIC Capital Leasing	Beneficial owner	244,326,695	14.43%
CITIC Capital China Partners II, L.P. (Note 2)	Interest of controlled corporation	244,326,695	14.43%
CCP II GP Ltd. (Note 2)	Interest of controlled corporation	244,326,695	14.43%
CCP LTD. (Note 2)	Interest of controlled corporation	244,326,695	14.43%
CITIC Capital Partners Limited (Note 2)	Interest of controlled corporation	244,326,695	14.43%
CITIC Capital Holdings Limited (Note 2)	Interest of controlled corporation	244,326,695	14.43%
CP Management Holdings Limited (Note 2)	Interest of controlled corporation	244,326,695	14.43%
Doyle, Brian Joseph (Note 2)	Interest of controlled corporation	244,326,695	14.43%
Zhang Yichen (Note 2)	Interest of controlled corporation	244,326,695	14.43%
ICBCI	Beneficial owner	121,243,560	7.16%
ICBC International Finance Limited (Note 3)	Interest of controlled corporation	121,243,560	7.16%
ICBC International Holdings Limited (Note 3)	Interest of controlled corporation	121,243,560	7.16%
Industrial and Commercial Bank of China Limited (Note 3)	Interest of controlled corporation	121,243,560	7.16%
Rollcash Investments Limited (Note 4)	Interest of controlled corporation	121,243,560	7.16%
Mu Yi (Note 4)	Interest of controlled corporation	121,243,560	7.16%
Sonic Path Limited (“Sonic Path”)	Beneficial owner	96,487,020	5.70%
Healthcare Ventures Holdings Limited	Interest of controlled corporation	96,487,020	5.70%
Chow Tai Fook Enterprises Limited (Note 5)	Interest of controlled corporation	96,487,020	5.70%
Chow Tai Fook (Holding) Limited (Note 5)	Interest of controlled corporation	96,487,020	5.70%
Chow Tai Fook (Capital) Limited (Note 5)	Interest of controlled corporation	96,487,020	5.70%
Cheng Yu Tung Family (Holdings) Limited (Note 5)	Interest of controlled corporation	96,487,020	5.70%
Cheng Yu Tung Family (Holdings II) Limited (Note 5)	Interest of controlled corporation	96,487,020	5.70%

Notes:

- (1) Among the 647,478,700 Shares, 584,000,395 Shares will be registered under name of GT-HK and 63,478,305 Shares will be registered under the name of CGCI-HK. The entire issued share capital of GT-HK is ultimately owned by GT-PRC and the entire issued share capital of CGCI-HK is directly held by CGCI-PRC, which in turn, is wholly-owned by GT-PRC. By virtue of the SFO, GT-PRC is deemed to be interested in the 647,478,700 Shares held by GT-HK and CGCI-HK.

- (2) CITIC Capital Leasing is wholly owned by CITIC Capital China Partners II, L.P. (“**CITIC Partners**”). The general partner of CITIC Partners is CCP II GP Limited (“**CCPII**”), which is wholly-owned by CCP LTD. CCP LTD. is a wholly-owned subsidiary of CITIC Capital Partners Limited (“**CITIC Capital Partners**”). CITIC Capital Partners is owned as to 51% and 49% by CITIC Capital Holdings Limited (“**CITIC Capital Holdings**”) and CP Management Holdings Limited (“**CP Management**”) respectively. CP Management is owned by Doyle, Brian Joseph and Zhang Yichen in equal shares. By virtue of the SFO, CITIC Partners, CCPII, CCP LTD., CITIC Capital Partners, CITIC Capital Holdings, CP Management, Doyle, Brian Joseph and Zhang Yichen are deemed to be interested in the same parcel of Shares in which CITIC Capital Leasing is interested.
- (3) ICBCI is 51% owned by ICBC International Finance Limited (“**ICBCI Finance**”), which is wholly-owned by ICBC International Holdings Limited (“**ICBCI Holdings**”) and in turn, is wholly-owned by Industrial and Commercial Bank of China Limited (“**ICBC**”). By virtue of the SFO, ICBCI Finance, ICBCI Holdings and ICBC are deemed to be interested in the same parcel of Shares in which ICBCI is interested.
- (4) ICBCI is 49% owned by Rollcash Investments Limited (“**Rollcash**”), 40% of its total issued share capital is owned by Mu Yi. Rollcash charged all its shares in ICBCI in favor of ICBCI Finance. By virtue of the SFO, Rollcash and Mu Yi are deemed to be interested in the same parcel of Shares in which ICBCI is interested.
- (5) Sonic Path is wholly owned by Healthcare Ventures Holdings Limited (“**Healthcare Ventures**”). Healthcare Ventures is wholly owned by Chow Tai Fook Enterprises Limited (“**CTFE**”), which is wholly owned by Chow Tai Fook (Holding) Limited (“**CTFH**”). CTFH is held as to 78.58% by Chow Tai Fook (Capital) Limited (“**CTFC**”), which is in turn held as to 48.98% by Cheng Yu Tung Family (Holdings) Limited (“**CYTF**”) and as to 46.65% by Cheng Yu Tung Family (Holdings II) Limited (“**CYTFII**”). By virtue of the SFO, Healthcare Ventures, CTFE, CTFH, CTFC, CYTF and CYTFII are deemed to be interested in the same parcel of Shares in which Sonic Path is interested.

3.2 Directors’ service contracts and letters of appointment

Executive Directors

Each of our executive Directors has entered into a service contract with our Company pursuant to which he/she agreed to act as an executive Director for an initial term of five years with effect from December 22, 2014. Pursuant to the resolutions in writing of our Shareholders passed on June 10, 2015, the form and substance of each of the service contracts (including the duration of thereof) made between our executive Directors and us were approved.

Each of our executive Directors is entitled to a basic salary as set out below. In addition, each of the executive Directors is also entitled to a discretionary management bonus taking into consideration the financial performance of our Group and the relevant executive Director’s individual contribution to our Group for the financial year concerned. An executive Director may not vote on any resolution of our Directors regarding the amount of the management bonus payable to him. The current basic annual salaries of our executive Directors are as follows:

Name	Annual salary ^(Note)
	(RMB)
Mr. Guo	1.3 million
Ms. Peng	1.1 million

Note: The salary of Mr. Guo is payable for his service as our Chief Executive Officer and that of Ms. Peng is payable for her service as our Chief Financial Officer and deputy general manager.

Non-executive Directors and INEDs

Each of our non-executive Directors has entered into a letter of appointment with our Company pursuant to which he has been appointed for an initial term of three years commencing from March 6, 2015 and each of our INEDs has entered into a letter of appointment with our Company pursuant to which he has been appointed for an initial term of three years commencing from June 9, 2015. Our non-executive Directors is not entitled to any director's fee. Each of our INEDs is entitled to a director's fee of HK\$200,000 per annum. Save for Directors' fees, none of our non-executive Directors or INEDs is expected to receive any other remuneration for holding their office as a non-executive Director or an INED.

3.3 Directors' remuneration

- (i) The aggregate emoluments paid to our Directors in respect of the three financial years ended December 31, 2014 were approximately RMB1.7 million, RMB2.2 million and RMB4.8 million respectively.
- (ii) Under the arrangements currently in force, the aggregate emoluments (excluding discretionary bonus and share-based compensation) payable by our Group to and benefits in kind receivable by the Directors (including the INEDs in their respective capacity as Directors) for the year ending December 31, 2015 are expected to be approximately RMB2.9 million.
- (iii) None of the Directors or any past directors of any member of our Group has been paid any sum of money for each of the three years ended December 31, 2014 (i) as an inducement to join or upon joining our Company or (ii) for loss of office as a director of any member of our Group or of any other office in connection with the management of the affairs of any member of our Group.
- (iv) There has been no arrangement under which a Director has waived or agreed to waive any emoluments for each of the three years ended December 31, 2014.

3.4 Disclaimers

- (a) Save as disclosed in the paragraph headed "3.1(a) Interests of our Directors and the chief executive of our Company" above, none of the Directors or chief executive of our Company has any interests or short positions in the shares, underlying shares and debentures of our Company or its associated corporations (within the meaning of Part XV of the SFO) which will be required to be notified to our Company 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 the SFO) or which will be required, pursuant to Section 352 of the SFO, to be entered in the register referred to in that section, or which will be required, pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 to the Listing Rules, to be notified to our Company and the Stock Exchange, once the Shares are listed on the Stock Exchange;

- (b) Save as disclosed in the paragraph headed “3.1(b) Interests of our Substantial Shareholders” above, so far as is known to any Director or chief executive of our Company, no person (other than a Director or chief executive of our Company) has an interest or short position in the Shares and underlying Shares which would fall 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 is, directly or indirectly, interested in 10% or more of the issued voting shares of any other member of our Group once the Shares are listed on the Stock Exchange;
- (c) none of our Directors nor any of the persons listed in the paragraph headed “4.6 Qualifications of experts” below is interested in the promotion of, or in any assets which have been, within the two years immediately preceding the issue of this prospectus, acquired or disposed of by or leased to any member of our Group, or are proposed to be acquired or disposed of by or leased to any member of our Group;
- (d) none of our Directors is materially interested in any contract or arrangement subsisting at the date of this prospectus which is significant in relation to the business of our Group;
- (e) save in connection with the Underwriting Agreements, none of the persons listed in the paragraph headed “4.6 Qualifications of experts” below has any shareholding 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 our Group;
- (f) save for the Underwriting Agreements, none of the persons listed in the paragraph headed “4.6 Qualifications of experts” below is materially interested in any contract or arrangement subsisting at the date of this prospectus which is significant in relation to the business of our Group taken as a whole;
- (g) save as disclosed in the paragraph headed “3.2 Directors’ service contracts and letters of appointment” above, none of our Directors has entered or has proposed to enter into any service agreements with our Company or any member of our Group (other than contracts expiring or determinable by the employer within one year without payment of compensation other than statutory compensation);
- (h) so far as is known to our Directors, none of our Directors or their close associates or any Shareholder (which to the knowledge of our Directors owns more than 5% of the share capital of our Company) has any interest in any of the five largest customers or the five largest suppliers of our Group during the Track Record Period; and
- (i) none of our Directors are interested in any business apart from our Group’s business which competes or is likely to compete, directly or indirectly, with the business of our Group.

4. OTHER INFORMATION

4.1 Joint Sponsors

The Joint Sponsors have made an application on behalf of our Company to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Shares in issue and to be issued pursuant to the Global Offering. All necessary arrangements have been made to enable such Shares to be admitted into CCASS.

Each of the Joint Sponsors satisfies the independence criteria applicable to sponsors as set out in Rule 3A.07 of the Listing Rules.

4.2 Litigation

Save as disclosed in the prospectus, as of the Latest Practicable Date, no member of our Group is engaged in any litigation, arbitration or claim of material importance, and no litigation, arbitration or claim of material importance is known to our Directors to be pending or threatened by or against our Group member, that would have a material adverse effect on our results of operations or financial condition of our Group.

4.3 Preliminary expenses

The preliminary expenses of our Company amounted to approximately HK\$38,000 and have been paid by our Company.

4.4 Promoters

Our Company has no promoter for the purpose of the Listing Rules.

4.5 Agency fees or commissions received

Except as disclosed in the paragraph headed “Underwriting—Commissions and expenses” in this prospectus, no commissions, discounts, brokerages or other special terms have been granted in connection with the issue or sale of any capital and/or debenture of any member of our Group within the two years immediately preceding the date of this prospectus.

4.6 Qualifications of experts

The qualifications of the experts who have given opinions and/or whose names are included in this prospectus are as follows:

Name	Qualification
Goldman Sachs (Asia) L.L.C.	a corporation licensed under the SFO and permitted to carry out Type 1 (dealing in securities), Type 4 (advising on securities), Type 5 (advising on futures contracts), Type 6 (advising on corporate finance) and Type 9 (asset management) regulated activities (as defined in the SFO)
Nomura International (Hong Kong) Limited	a corporation licensed under the SFO and permitted to carry out Type 1 (dealing in securities), Type 2 (dealing in futures contracts), Type 4 (advising on securities), Type 5 (advising on futures contracts) and Type 6 (advising on corporate finance) regulated activities (as defined in the SFO)
Ernst & Young	Certified Public Accountants
Jun He Law Offices	Qualified PRC lawyers
Frost & Sullivan	Independent industry consultants

4.7 Consents of experts

Each of the experts referred to in the paragraph headed “4.6 Qualifications of experts” above, has given and has not withdrawn its consent to the issue of this prospectus with the inclusion of its report and/or letter and/or legal opinion (as the case may be) and references to its name included in the form and context in which it respectively appears.

4.8 Binding effect

This prospectus shall have the effect, if an application is made in pursuance of this prospectus, of rendering all persons concerned bound by all of the provisions (other than the penal provisions) of Sections 44A and 44B of the COWUMPO insofar as applicable.

4.9 Taxation of holders of Shares

(a) *Hong Kong*

Dealings in Shares registered on our Company’s Hong Kong register of members will be subject to Hong Kong stamp duty. The sale, purchase and transfer of Shares are subject to Hong Kong stamp duty, the current rate of which is 0.2% of the consideration or, if higher, the value of the Shares being sold or transferred.

Profits from dealings in the Shares arising in or derived from Hong Kong may also be subject to Hong Kong profits tax.

(b) *Consultation with professional advisers*

Intending holders of Shares are recommended to consult their professional advisers if they are in any doubt as to the taxation implications of subscribing for, purchasing, holding or disposing of or dealing in Shares or exercising any rights attaching to them. It is emphasised that none of our Company, our Directors or the other parties involved in the Global Offering can accept responsibility for any tax effect on, or liabilities of, holders of Shares resulting from their subscription for, purchase, holding or disposal of or dealing in Shares or exercising any rights attaching to them.

4.10 Estate Duty

Our Directors have been advised that no material liability for estate duty is likely to fall upon our Group.

4.11 Miscellaneous

- (a) Within the two years immediately preceding the date of this prospectus:
- (i) no share or loan capital of our Company or any of our subsidiaries has been issued or agreed to be issued fully or partly paid either for cash or for a consideration other than cash, save as disclosed in the section headed “History and Development” in and “Appendix I” to this prospectus;
 - (ii) 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;
 - (iii) neither our Company nor any of our subsidiaries have issued or agreed to issue any founder shares, management shares or deferred shares;
 - (iv) no commission has been paid or payable (except commissions to the Underwriters) for subscription, agreeing to subscribe, procuring subscription or agreeing to procure subscription for any Shares; and
 - (v) our Company has no outstanding convertible debt securities.
- (b) Our register of members will be maintained by our Share Registrar in Hong Kong, Computershare Hong Kong Investor Services Limited. Unless our Directors otherwise agree, all transfer and other documents of title of Shares must be lodged for registration with and registered by the Share Registrar.

- (c) The Directors confirm that up to the date of this prospectus, there has been no material adverse change in the financial or trading position or prospects of our Group since December 31, 2014 (being the date to which the latest audited combined financial statements of our Group were made up).
- (d) Other than the 2017 Bonds, no company within our Group is presently listed on any stock exchange or traded on any trading system.
- (e) There has not been any interruption in the business of our Group which may have or has had a significant effect on the financial position of our Group in the 12 months preceding the date of this prospectus.

4.12 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 (Exemption of Companies and Prospectuses from Compliance with Provisions) Notice (Chapter 32L of the Laws of Hong Kong).

1. DOCUMENTS DELIVERED TO THE REGISTRAR OF COMPANIES IN HONG KONG

The documents attached to a copy of this prospectus and delivered to the Registrar of Companies in Hong Kong for registration were, amongst other documents, copies of the **WHITE** and **YELLOW** and **GREEN** Application Forms, the written consents referred to in the paragraph headed “4.7 Consents of experts” of “Appendix IV—Statutory and general information” to this prospectus, and certified copies of the material contracts referred to in the paragraph headed “2.1 Summary of material contracts” of “Appendix IV—Statutory and general information” to this prospectus.

2. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents will be available for inspection at the offices of Chiu & Partners at 40/F, Jardine House, 1 Connaught Place, Hong Kong, during normal business hours from 9:00 a.m. up to 5:00 p.m. up to and including July 8, 2015:

- (a) our Articles of Association;
- (b) the Accountants’ Report from Ernst & Young in respect of the historical financial information of our Group for the financial years ended December 31, 2012, 2013 and 2014, the text of which is set out in Appendix I to this prospectus;
- (c) the report on the unaudited pro forma financial information of our Group from Ernst & Young, the text of which is set out in Appendix II to this prospectus;
- (d) the legal opinions prepared by Jun He Law Offices in respect of certain aspects of our Group and the property interests of our Group in the PRC and summary of PRC laws and regulations relating to our business;
- (e) the material contracts in the paragraph headed “2.1 Summary of material contracts” of “Appendix IV—Statutory and general information” to this prospectus;
- (f) the written consents referred to in the paragraph headed “4.7 Consents of experts” of “Appendix IV—Statutory and general information” to this prospectus; and
- (g) the service contracts and appointment letters referred to in the paragraph headed “3.2 Directors’ service contracts and letters of appointment” of “Appendix IV—Statutory and general information” to this prospectus.



環球醫療金融與技術諮詢服務有限公司

UNIVERSAL MEDICAL FINANCIAL & TECHNICAL ADVISORY SERVICES COMPANY LIMITED