

## DEFINITIONS

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*In this document, unless the context otherwise requires, the following expressions have the following meanings:*

“2004 Reorganisation”	the corporate reorganisation of the Group which took place in 2004 as more particularly described in the paragraph headed “Corporate development” in the section headed “History and corporate development” in this document
“2009 Design Agreements”	collectively the two agreements both dated 2 January 2009 entered into between Shenzhen Jing Chu and each of Shenzhen Xingli and Shenzhen Xingli Zundian relating to the services to be provided by Shenzhen Jing Chu to Shenzhen Xingli and Shenzhen Xingli Zundian respectively for the year 2009
“associate(s)”	has the meaning ascribed thereto under the Listing Rules
“Board”	the board of Directors
“Business Day(s)”	any day(s) (excluding Saturdays, Sundays and public holidays) in Hong Kong on which licensed banks in Hong Kong are generally open for normal banking business to the public
“Business Registration Ordinance”	Business Registration Ordinance (Chapter 310 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
“BVI”	the British Virgin Islands
“Bye-Laws”	the bye-laws of the Company adopted on [●] and as amended from time to time, a summary of which is set out in Appendix [IV] to this document
“CAGR”	compound annual growth rate

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“Changping Development”	東莞市常平興利發展公司 (Dongguan Changping Xingli Development Company), a collective-owned enterprise established in the PRC and principally engaged in the provision of consultancy and business development services. Save for the investment of Changping Development in Dongguan Rich prior to its dissolution, none of the Founders has any business relationship with Changping Development
“Changping Industry”	東莞市常平鎮工貿實業集團公司 (Dongguan Changping Industry and Trade Group Company), established in the PRC on 11 June 1988 with limited liability and principally engaged in the provision of corporate management, sale of ironware, steel furniture, plastic products and wood
“CNFA”	中國家具協會 (China National Furniture Association), founded on 20 June 1989 in the PRC and a nationwide non-profit making industrial organisation formed jointly and voluntarily by enterprises, institutions, organisations and individuals participating in the PRC’s furniture and other related industries. The members of CNFA are engaged in the production, management, scientific research and education relating to the PRC furniture and other related industries. Registered with 中華人民共和國民政部 (the Ministry of Civil Affairs of PRC), CNFA is supervised by 國務院國有資產監督管理委員會 (the State-owned Assets Supervision and Administration Commission of the State Council). The aims of CNFA are to represent the interests of the furniture industry, reflect the wills and requests of its members, provide services to its members and maintain their legitimate rights. Serving as a bridge between the PRC government and the enterprises in the furniture industry, CNFA promotes the healthy, sustainable, harmonious and comprehensive development of the PRC’s furniture industry
“Companies Act”	the Companies Act 1981 of Bermuda, as amended, supplemented or otherwise modified from time to time
“Companies Ordinance”	Companies Ordinance (Chapter 32 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time

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“Company”	Hing Lee (HK) Holdings Limited, formerly known as HingLi Home Concepts Ltd., Windsor Treasure Group Holdings Limited and Windsor Treasure Holdings Limited, a company incorporated in BVI on 20 April 2004 with limited liability and was subsequently re-domiciled and continued in Bermuda with limited liability on 30 March 2007
“Controlling Shareholder”	Triple Express and Mr. Fang Shin, who will control the exercise of approximately [●]% voting rights in the general meeting of the Company immediately after completion of [●]
“Csil Milano”	Csil Centre for Industrial Studies – Milan (Italy), an independent economic research and consulting company founded in Milan, Italy in 1980. It specialises in applied economic research, SMEs economics, evaluation and technical assistance to development projects and programmes. Based on the information on its website, Csil Milano has served a number of leading international institutions and corporations
“Dahao Furniture”	深圳大豪家具實業有限公司 (Shenzhen Dahao Furniture Industrial Company Limited), a sino foreign equity joint venture company registered in the PRC on 15 March 1985 and principally engaged in the manufacture and sale of wood furniture and sofas. Save that Dahao Furniture had been a shareholder of Shenzhen Dahao and Dongguan Rich prior to their dissolution, it has no business relationship with the Founders
“Deed of Indemnity”	the deed of indemnity dated [●] executed by the Founders and their respective investment vehicles in favour of the Company (for itself and as trustee for other members of the Group) in connection with certain indemnities provided by the Founders and their respective investment vehicles as more particularly set out in the paragraph headed “Indemnities” under the section headed “Business” in this document
“Director(s)”	the director(s) of the Company

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“Dongguan Rich”	東莞富豪家具有限公司 (Dongguan Rich Furniture Company Limited), a company incorporated in the PRC with limited liability on 21 September 1993 and a member of the Group which was owned as to 78% by Glory Skill and 22% by Changping Industry prior to its dissolution on 20 October 2006, and principally engaged in the business of manufacturing and trading mattresses with sales in both the PRC and overseas markets
“Dongguan Super Furniture”	東莞興展家具有限公司 (Dongguan Super Furniture Company Limited), a wholly foreign-owned enterprise incorporated in the PRC with limited liability on 14 October 2005 and a member of the Group, which is currently wholly-owned by Hander International and principally engaged in the manufacture and sale of mattresses
“Founders”	Mr. Sung, Mr. Chan, Mr. Cheung and Mr. Huang collectively and “Founder” shall mean any of them
“Glory Skill”	Glory Skill Investments Limited, a company incorporated in BVI with limited liability on 28 July 2004 and a member of the Group which is currently wholly-owned by Great Ample and principally engaged in investment holding
“Great Ample”	Great Ample Holdings Limited, a company incorporated in BVI with limited liability on 22 July 2004 and the intermediate holding company of the Group which is principally engaged in investment holding
“Group”	the Company and its subsidiaries or, where the context so requires, in respect of the period prior to the Company becoming the holding company of its present subsidiaries, the present subsidiaries of the Company or their predecessors (as the case may be)
“Hander International”	Hander International Limited, a company incorporated in Hong Kong with limited liability on 12 November 2007 and a member of the Group, which is currently indirectly held as to 78% by Springrich Investments and 22% by Chernew Investments Limited and principally engaged in investment holding

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“Hanmix”	Hanmix Limited, a company incorporated in Hong Kong with limited liability on 15 November 2007 and a member of the Group which is currently wholly-owned by Success Profit and principally engaged in investment holding
“Hing Lee (China)”	Hing Lee (China) Company Limited, a company incorporated in Hong Kong with limited liability on 23 December 1992 and a member of the Group which is currently wholly-owned by Great Ample and principally engaged in investment holding and provision of administration services to a member of the Group
“Hing Lee Furniture”	Hing Lee Furniture Company Limited, a company incorporated in BVI with limited liability on 1 July 2004 and a member of the Group which is currently wholly-owned by Great Ample and principally engaged in export trading of the Group’s products
“Hing Lee Ideas”	Hing Lee Ideas Limited, a company incorporated in Labuan with limited liability on 3 January 2008 and a member of the Group which is wholly-owned by Great Ample and is currently inactive
“HKFRSs”	Hong Kong Financial Reporting Standards
“HLFL”	Hing Lee Furniture Limited (subsequently renamed as Minland Holdings Limited), a company incorporated in Hong Kong with limited liability on 9 October 1987, which is not a member of the Group and was then engaged in trading of furniture products. It is owned as to 33.334% by Mr. Sung, as to 33.333% by Mr. Cheung and as to 33.333% by Mr. Chan and is now principally engaged in investment in property
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Third Party(ies)”	person(s) or company(ies) which is/are independent of and not connected with any member of the Group, the directors, the chief executive and the substantial shareholders (as defined in the Listing Rules) of the Company or any of its subsidiaries and their respective associates

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“Inland Revenue Ordinance”	Inland Revenue Ordinance (Chapter 112 of the Laws of Hong Kong), the amended, supplemented or otherwise modified from time to time
“IRD”	Inland Revenue Department of Hong Kong
“ISO”	the International Organisation for Standardisation, an international organisation for standardisation, based in Geneva, Switzerland
“ISO 9001:2000”	a generic set of requirements maintained by ISO for a quality management system where an organisation (i) needs to demonstrate its ability to consistently provide product that meets customer and applicable regulatory requirements; and (ii) aims to enhance customer satisfaction through the effective application of the system, including processes for continual improvement of the system and the assurance of conformity to customer and applicable regulatory requirements
“Latest Practicable Date”	[●], being the latest practicable date prior to the printing of this document for ascertaining certain information in this document
“LFST”	深圳市利富斯泰傢具設計有限公司 (Shenzhen Li Fu Si Tai Furniture Design Limited), a company incorporated in the PRC with limited liability on 15 October 2002 and principally engaged in design of home furniture products. Mr. Huang, Mr. Huang’s spouse, Mr. Wu Guo Long and an Independent Third Party who is an employee of the Group owned as to 38%, 22%, 20% and 20% of LFST respectively prior to its dissolution
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange, as amended, supplemented or otherwise modified from time to time
“Longgang Land I”	a piece of land with a site area of approximately 43,817 sq.m. situated at Kengzi Town, Longgang Industrial Area, Longgang District, Shenzhen, the PRC (Land Lot G14309-0285)

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“Longgang Land II”	a piece of land with a site area of approximately 41,065 sq.m. situated at Kengzi Town, Longgang Industrial Area, Longgang District, Shenzhen, the PRC (Land Lot G14310-0206)
“Main Board”	the stock market operated by the Stock Exchange, which excludes the Growth Enterprise Market and the options market
“May Day Design”	May Day Design s.a.s., an international furniture design and marketing company based in Milan, Italy, being an Independent Third Party
“Mr. Chan”	Mr. Chan Kwok Kin, being one of the Founders and a senior management member of the Group
“Mr. Cheung”	Mr. Cheung Kong Cheung, being one of the Founders and an executive Director
“Mr. Huang”	Mr. Huang Wei Ye, being one of the Founders and a senior management member of the Group
“Mr. Sung”	Mr. Sung Kai Hing, being one of the Founders and an executive Director
“New EIT Law”	中華人民共和國企業所得稅法 (The PRC Enterprise Income Tax Law), which is promulgated by the National People’s Congress and took effect on 1 January 2008
“Non-competition Deed”	a deed of non-competition undertakings dated [date] executed by [Triple Express], [Mr. Fang Shin], [Mr. Sung], [Mr. Cheung], [Mr. Chan] and [Mr. Huang] in favour of the Company (for itself and as trustee for its subsidiaries)
“PBOC”	中國人民銀行 (The People’s Bank of China)
“PRC” or “China”	The People’s Republic of China which, for the purposes of this document only, excludes Hong Kong, the Macau Special Administrative Region and Taiwan

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“PRC Government”, “PRC government”, “state” or “State”	the government of the PRC including all governmental subdivisions (including provincial, municipal and other regional or local government entities) and organs thereof or, as the context requires, any of them
“PRC Legal Advisers”	Zhong Xin Law Firm Shanghai Branch
“SFC”	the Securities and Futures Commission of Hong Kong
“SFO”	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
“SFTA”	深圳市家具行業協會 (Shenzhen Furniture Trade Association), a non-profit organisation established in 1986 which has over 500 members from furniture, wood panel, iron ware, paints and accessories industries and has a mission to serve the marketing and technological needs of the furniture industry participants, as well as to assist the furniture industry participants to communicate with the relevant government authorities
“Share(s)”	ordinary share(s) of HK\$[0.01] each in the share capital of the Company
“Shareholder(s)”	holder(s) of Share(s)
“Share Option Scheme”	the share option scheme conditionally adopted by the Company on [●], the principal terms of which are set out in the paragraph headed “Share Option Scheme” in Appendix [V] to this document
“Sharp Motion”	Sharp Motion Worldwide Limited, a company incorporated in BVI with limited liability on 2 January 2003 and a member of the Group which is currently wholly-owned by Great Ample and principally engaged in investment holding and licensing of trademarks



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“Shenzhen Dahao”	深圳大豪興利家具實業有限公司 (Shenzhen Dahao Xingli Furniture Industrial Company Limited), a company incorporated in the PRC with limited liability on 18 December 1995 and a member of the Group which was owned as to 65% by Hing Lee (China) and 35% by Global Art & Crafts Limited immediately prior to its dissolution on 31 December 2006 and principally engaged in the manufacture and sale of wood-based furniture
“Shenzhen Jing Chu”	深圳市景初家具設計有限公司 (Shenzhen Jing Chu Furniture Design Company Limited), a company incorporated in the PRC with limited liability on 19 May 2000 and principally engaged in the design of furniture and accessories for home decoration, which was owned as to 60% by Mr. Huang and 40% by 胡景初先生 (Mr. Hu Jing Chu), an Independent Third Party, from [19 May 2000] to [30 January 2008] and as to 80% by Mr. Huang, 15% by 劉永飛先生 (Mr. Liu Yong Fei) and 5% by 胡景初先生 (Mr. Hu Jing Chu) from [30 January 2008] to [15 January] 2009. As at the Latest Practicable Date, Shenzhen Jing Chu was owned as to 50% by 黃惠嫻女士 (Ms. Huang Hui Xian), 35% by 胡景初先生 (Mr. Hu Jing Chu) and 15% by 劉永飛先生 (Mr. Liu Yong Fei)
“Shenzhen Xingli”	深圳興利家具有限公司 (Shenzhen Xingli Furniture Company Limited), a member of the Group currently wholly-owned by Hanmix, which was incorporated in the PRC as a sino-foreign equity joint venture enterprise with limited liability on 16 December 2002 and subsequently transformed to a wholly foreign-owned enterprise and principally engaged in the manufacture and sale of wood-based furniture
“Shenzhen Xingli Production Base”	the Group’s production base to be constructed on Longgang Land I
“Shenzhen Xingli Zundian”	深圳興利尊典家具有限公司 (Shenzhen Xingli Zundian Furniture Company Limited), a wholly foreign-owned enterprise incorporated in the PRC with limited liability on 28 December 2004 and a member of the Group which is currently wholly-owned by Hing Lee (China), and principally engaged in the manufacture and sale of wood-based furniture

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“Shenzhen Xingli Zundian Production Base”	the Group’s production base to be constructed on Longgang Land II
“Springrich Investments”	Springrich Investments Limited, a company incorporated in BVI with limited liability on 7 July 2005 and a member of the Group which is currently wholly-owned by Great Ample and principally engaged in investment holding
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary(ies)”	has the meaning ascribed thereto in section 2 of the Companies Ordinance
“substantial shareholder”	has the meaning ascribed to it under the Listing Rules
“Success Profit”	Success Profit International Limited, a company incorporated in BVI with limited liability on 28 July 2004 and a member of the Group which is currently wholly-owned by Great Ample and principally engaged in investment holding
“Takeovers Code”	The Code on Takeovers and Mergers issued by the SFC, as amended, supplemented or otherwise modified from time to time
“Track Record Period”	the period comprising the three years ended 31 December 2008
“Triple Express”	Triple Express Enterprises Limited, a company incorporated in BVI with limited liability on 21 March 2006 which is wholly-owned by Mr. Fang Shin and principally engaged in investment holding
“United Kingdom”	the United Kingdom of Great Britain and Northern Ireland
“U.S.” or “United States”	the United States of America
“U.S. Securities Act”	the United States Securities Act of 1933, as amended, and the rules and regulations promulgated thereunder
“VAT”	value added tax of the PRC
“World Furniture Outlook 2009”	a non-government official report published by Csil Milano and which is not commissioned by the Group

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“Euro(s)” or “€”	the lawful currency of the European Union
“HK\$” or “HK dollars” or “HK cents”	Hong Kong dollars and cents, respectively, the lawful currency of Hong Kong
“RMB” or “Renminbi”	Renminbi, the lawful currency of the PRC
“US\$” or “US dollars”	United States dollars, the lawful currency of the U.S.

*Unless otherwise specified, for the purpose of this document and for the purpose of illustration only, Hong Kong dollar amounts have been translated using the following rates:*

*US\$1 : HK\$7.80*

*€1: HK\$[10.83]*

*RMB1 : HK\$[0.996] (2006)*

*RMB1 : HK\$[1.07] (2007)*

*RMB1 : HK\$[1.13] (2008)*

*The above exchange rates have been used for purposes of illustration only and do not constitute a representation that any amounts have been, could have been, or may be exchanged at these or any other rates or at all.*

*For ease of reference, the names of the PRC established companies or entities have been included in this document in both Chinese and English languages and the English names of these companies and entities are only English translation of their respective official Chinese names and are for identification purposes only. In the event of any inconsistency, the Chinese names shall prevail.*