

DEFINITIONS

In this prospectus, unless the context otherwise requires, the following words and expressions have the following meanings.

“Actual Reality”	Actual Reality Inc., a company incorporated under the laws of Island of Nevis on 22 February 2001 and beneficially owned by Mr. Chen and Ms. Wan
“Application Form(s)”	WHITE, YELLOW and GREEN Application Form(s), or where the context requires, any of them
“Articles of Association” or “Articles”	the articles of association of our Company, conditionally adopted on 20 May 2009 and will become effective upon Listing
“associates”	has the meaning ascribed to it under the Listing Rules
“Bawang Bermuda”	BaWang International (Group) Holding Limited, a company incorporated under the laws of Bermuda with limited liability on 8 December 2004 and beneficially owned by Mr. Chen and Ms. Wan
“Bawang Guangzhou”	霸王(廣州)有限公司 (Bawang (Guangzhou) Co., Ltd.), a company established in the PRC as a wholly foreign owned enterprise on 13 April 2005 and an indirect wholly-owned subsidiary of the Company
“Bawang Hong Kong”	Bawang International Group Holding (HK) Limited, a company incorporated under the laws of Hong Kong with limited liability on 31 October 2007 and an indirect wholly-owned subsidiary of the Company
“Bawang Investments”	Bawang International Investments Limited, a company incorporated under the laws of Hong Kong with limited liability on 24 January 2008 and an indirect wholly-owned subsidiary of the Company
“Bawang Trading”	Hong Kong Bawang International Trading Limited, a company incorporated under the laws of Hong Kong with limited liability on 24 January 2008 and an indirect wholly-owned subsidiary of the Company
“Board”	the board of directors of our Company
“business day”	any day (excluding Saturday, Sunday or public holidays) on which banks in Hong Kong are generally open for business
“BVI”	the British Virgin Islands
“CAGR(s)”	compound annual growth rate
“Capitalization Issue”	the issue of 2,099,990,000 Shares to be made upon capitalization of certain sum standing to the credit of the share premium account of the Company referred to in the section headed “Resolutions of our Shareholder passed on 20 May 2009” in Appendix V to this prospectus

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“Cayman Companies Law”	the Companies Law, Cap. 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands
“CCASS”	the Central Clearing and Settlement System established and operated by HKSCC
“CCASS Clearing Participant”	a person admitted to participate in CCASS as a direct clearing participant or 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 or a CCASS Custodian Participant or a CCASS Investor Participant
“China” or “PRC”	the People’s Republic of China, but for the purpose of this prospectus and for geographical reference only and except where the context requires, references in this prospectus to “China” and the “PRC” do not apply to Hong Kong, Macao and Taiwan
“Chinese herbal shampoo”	shampoo containing any type of natural ingredients of Chinese herbs
“Companies Ordinance”	the Companies Ordinance (Chapter 32 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
“Company” or “our Company”	BaWang International (Group) Holding Limited, a company incorporated under the laws of the Cayman Islands with limited liability on 11 December 2007
“connected person”	has the meaning ascribed to it under the Listing Rules
“Controlling Shareholders”	has the meaning ascribed thereto in the Listing Rules and unless the context requires otherwise, refers to Fortune Station, Mr. Chen and Ms. Wan
“CSRC”	中國證券監督管理委員會 (China Securities Regulatory Commission)
“Director(s)”	the director(s) of our Company as of the date of this prospectus
“Euromonitor”	Euromonitor International Plc, an independent third-party, which engages in the provision of international market intelligence including consumer products, services and lifestyles
“Forever Giants”	Forever Giants Limited, a company incorporated under the laws of the BVI with limited liability on 8 August 2008 and a wholly-owned subsidiary of the Company

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“Fortune Station”	Fortune Station Ltd., a company incorporated under the laws of the BVI with limited liability on 15 August 2007 and beneficially owned by Mr. Chen and Ms. Wan
“Global Offering”	the Hong Kong Public Offering and the International Placing
“GREEN Application Form(s)”	the application form(s) to be completed by White Form eIPO service provider designated by the Company
“Group”, “our Group”, “we”, “our” 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 its present subsidiaries (or before such associated companies became associated companies of our Company), the businesses operated by such subsidiaries or their predecessors (as the case may be)
“Guangzhou Bawang”	廣州霸王化妝品有限公司 (Guangzhou Bawang Cosmetics Co., Ltd.), a company established in the PRC as a wholly foreign owned enterprise on 23 November 2001 and beneficially owned by Mr. Chen and Ms. Wan
“HK\$” or “Hong Kong dollars” or “HK dollars”	Hong Kong dollars, the lawful currency of Hong Kong
“HKSCC”	Hong Kong Securities Clearing Company Limited, a wholly-owned subsidiary of Hong Kong Exchanges and Clearing Limited
“HKSCC Nominees”	HKSCC Nominees Limited, a wholly-owned subsidiary of HKSCC
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Hong Kong Offer Shares”	the 70,000,000 Offer Shares initially being offered for subscription at the Offer Price pursuant to the Hong Kong Public Offering (subject to reallocation as described in the section headed “Structure of the Global Offering” in this prospectus)
“Hong Kong Public Offering”	the offer for subscription of the Hong Kong Offer Shares to the public in Hong Kong at the Offer Price, subject to and in accordance with the terms and conditions set out in this prospectus and the Application Forms
“Hong Kong Share Registrar”	Computershare Hong Kong Investor Services Limited
“Hong Kong Underwriters”	the underwriters of the Hong Kong Public Offering whose names are set out in the section headed “Underwriting – Hong Kong Underwriters” in this prospectus
“Hong Kong Underwriting Agreement”	the underwriting agreement dated 19 June 2009 relating to the Hong Kong Public Offering entered into by, among others, the Company and the Hong Kong Underwriters, as further described in the section headed “Underwriting” in this prospectus

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“HPC products”	household and personal care products
“HSBC”	The Hongkong and Shanghai Banking Corporation Limited
“IFRSs”	International Financial Reporting Standards issued by the International Accounting Standards Board
“independent third-party(ies)”	a person(s) or company(ies) who/which is or are independent of and not connected with our Company and our connected persons
“International Placing”	the offer and sale of the International Placing Shares to QIBs in the United States in reliance on Rule 144A or another exemption under the US Securities Act, and outside the United States in reliance on Regulation S, as further described in the section headed “Structure of the Global Offering” in this prospectus
“International Placing Shares”	the 630,000,000 Offer Shares being initially offered by the Company for subscription at the Offer Price pursuant to the International Placing together, where relevant, with any additional Shares issued or sold pursuant to the exercise of the Over-allotment Option, the number of which is further subject to reallocation as described in the section headed “Structure of the Global Offering” in this prospectus
“International Underwriters”	the group of underwriters led by the Joint Bookrunners of the International Placing
“International Underwriting Agreement”	the underwriting agreement relating to the International Placing and to be entered into by, among others, the Company and the International Underwriters on or around 26 June 2009, as further described in the section headed “Underwriting” in this prospectus
“Joint Global Coordinators” or “Joint Bookrunners” or “Joint Sponsors” or “Joint Lead Managers”	HSBC and Morgan Stanley (in alphabetical order)
“KA retailers”	retailers classified as key accounts by the Company, categorized by retail brands including international and domestic supermarkets, hypermarkets and chain stores, which are of strategic importance to the Company
“Latest Practicable Date”	15 June 2009, being the latest practicable date prior to the printing of this prospectus for ascertaining certain information contained in this prospectus
“Listing”	the listing of our Shares on the Main Board
“Listing Committee”	the Listing Committee of the Stock Exchange

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“Listing Date”	3 July 2009, being the date on which dealings in our Shares are expected to commence on the Main Board
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange (as amended from time to time)
“Lucky Rich”	Lucky Rich Investments Limited, a company incorporated under the laws of the BVI with limited liability on 2 January 2008 and an indirect wholly-owned subsidiary of the Company
“Macao”	the Macao Special Administrative Region of the PRC
“Main Board”	the stock exchange (excluding the option market) operated by the Stock Exchange which is independent from and operated in parallel with the Growth Enterprise Market of the Stock Exchange
“Maxford Investments”	Maxford Investments Development Ltd., a company incorporated under the laws of the BVI with limited liability on 11 April 2007 and a wholly-owned subsidiary of the Company
“Memorandum of Association” or “Memorandum”	the memorandum of association of our Company
“ml”	milliliter, a thousandth of a liter
“Morgan Stanley”	Morgan Stanley Asia Limited
“Mr. Chen”	Mr. Chen Qiyuan (陳啟源), co-founder of our Group, our chairman, executive Director, one of our Controlling Shareholders and the spouse of Ms. Wan
“Ms. Wan”	Ms. Wan Yuhua (萬玉華), co-founder of our Group, our chief executive officer, executive Director, one of our Controlling Shareholders and the spouse of Mr. Chen
“Offer Price”	the final offer price per Offer Share (exclusive of brokerage fee of 1%, SFC transaction levy of 0.004% and Stock Exchange trading fee of 0.005%) of not more than HK\$2.38 and expected to be not less than HK\$1.95, such price to be agreed upon by us and the Joint Bookrunners (on behalf of the Underwriters) on or before the Price Determination Date
“Offer Share(s)”	the Hong Kong Offer Share(s) and the International Placing Share(s)
“Old Guangzhou Bawang”	廣州霸王化妝品有限公司 (Guangzhou Bawang Cosmetics Co., Ltd.), a company established in the PRC as a domestic company on 28 May 1994 and Mr. Chen, Ms. Wan and Mr. Chen Qiwen (陳啟文), Mr. Chen’s brother, remained as shareholders until it was liquidated on 9 August 2008
“Other Products”	HPC products manufactured by the Group (such as toothpaste and shower gels) other than shampoo and hair-care products and skin-care products

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“Over-allotment Option”	the option granted by us to the International Underwriters exercisable by the Joint Global Coordinators on behalf of the International Underwriters pursuant to which the Company may be required to allot and issue up to an additional aggregate of 105,000,000 new Shares (in aggregate representing 15% of the Shares initially being offered under the Global Offering) to cover over-allocation in the International Placing, details of which are described in the section headed “Structure of the Global Offering” in this prospectus
“PBOC Rate”	the exchange rate for foreign exchange transactions set daily by 中國人民銀行 (the People’s Bank of China) based on the previous day’s China interbank foreign exchange market rate and with reference to current exchange rates on the world financial markets
“Pre-IPO Share Option Scheme”	the existing share option scheme for Directors or employees of our Group approved and adopted by our Company pursuant to a resolution passed by our Shareholder passed on 10 December 2008, the principal terms of which are summarized under the section headed “Pre-IPO Share Option Scheme” in Appendix V to this prospectus
“Price Determination Date”	the date, expected to be on or around Friday, 26 June 2009, and in any event not later than Sunday, 28 June 2009, on which the Offer Price is to be fixed by agreement between us and the Joint Global Coordinators (on behalf of the Underwriters) to determine the Offer Price
“QIBs”	Qualified Institutional Buyers as defined in Rule 144A under the US Securities Act
“Regulation S”	Regulation S under the US Securities Act
“Reorganization”	the reorganization of the business comprising our Group in preparation for the Global Offering, as described in the section headed “Company History and Reorganization” in this prospectus
“RMB” or “Renminbi”	Renminbi, the lawful currency of the PRC
“Rule 144A”	Rule 144A under the US Securities Act
“SAFE”	The State Administration of Foreign Exchange of the PRC
“SFC”	The Securities and Futures Commission of Hong Kong
“SFO”	The Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	ordinary share(s) of nominal value of HK\$0.10 each in the share capital of our Company
“Shareholder(s)”	holder(s) of our Share(s)

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“Share Option Scheme”	the share option scheme conditionally adopted by our Company on 20 May 2009, the principal terms of which are summarized under the section headed “Share Option Scheme” in Appendix V to this prospectus
“sq.m.” or “m ² ”	square meter
“Stabilizing Manager”	Morgan Stanley or any of its affiliates or any persons acting for it
“Stock Borrowing Agreement”	a stock borrowing agreement expected to be entered into on or about 26 June 2009 between Morgan Stanley or any of its affiliates or any persons acting for it and Fortune Station
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary(ies)”	has the meaning ascribed to it in section 2 of the Companies Ordinance
“Takeovers Code”	the Hong Kong Code on Takeovers and Mergers
“Track Record Period”	the period comprising the three years ended 31 December 2008
“Underwriters”	the Hong Kong Underwriters and the International Underwriters
“Underwriting Agreements”	the Hong Kong Underwriting Agreement and the International Underwriting Agreement
“US” or “United States”	the United States of America within the meaning of Regulation S
“US Securities Act”	the United States Securities Act of 1933, as amended
“US\$” or “U.S. dollars”	United States dollars, the lawful currency of the US
“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 at www.eipo.com.hk
“White Form eIPO Service Provider”	Computershare Hong Kong Investor Services Limited
“%”	per cent