

## DEFINITIONS

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

“Application Form(s)”	<b>white</b> application form(s), <b>yellow</b> application form(s) and <b>green</b> application form(s), or where the context so requires, any one or both of them, relating to the Hong Kong Public Offer;
“Articles of Association” or “Articles”	the articles of association of our Company adopted on 3 December 2011 and as amended from time to time, a summary of which is set out in Appendix V to this Prospectus;
“associate(s)”	has the meaning ascribed thereto under the Listing Rules;
“Baoyuan”	Jiangxi Baoyuan Colourful Textile Co., Ltd. (江西寶源彩紡有限公司), a company established in the PRC on 8 January 2008 and is an Independent Third Party;
“Board” or “Board of Directors”	the board of Directors of our Company as at the date of this Prospectus;
“Business Day”	a day on which banks in Hong Kong are generally open for business to the public and which is not a Saturday, Sunday or public holiday in Hong Kong;
“BVI”	the British Virgin Islands;
“CAGR”	compound annual growth rate;
“Capitalisation Issue”	the issue of 749,000,000 Shares upon capitalisation of certain sums standing to the credit of the share premium account of our Company referred to in the paragraph headed “Resolutions in writing of all the Shareholders passed on 3 December 2011” under the section headed “Further information about our Company and our Subsidiaries” in Appendix VI to this Prospectus;
“CBRC”	<i>China Banking Regulatory Commission</i> (中國銀行業監督管理委員會);
“CCA”	China Cotton Association (中國棉花協會), a non-profit organisation in the area of cotton and engaged in cotton production, purchase, processing and operation, cotton textile enterprises and cotton research;
“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;

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“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;
“CEO”	Chief Executive Officer;
“CFO”	Chief Financial Officer;
“Changle Jinyuan”	Fujian Changle Jinyuan Textiles Limited (福建省長樂市金源紡織有限公司), a company established in the PRC on 25 March 1999 which, other than Zheng Baozhen (鄭寶振) (the uncle of Mr. Zheng and Zheng Yongxiang, both Directors) holding 15% of its equity interests and being its general manager, has no connection with our Controlling Shareholders, Directors and their respective associates;
“Changle Yuanlong”	Fujian Changle Yuanlong Knitting Limited (福建省長樂市元隆針紡有限公司), a company established in the PRC on 21 April 2006 and Chen Ailan (陳愛蘭), the wife of Mr. Zheng, holding 25% of its equity interests;
“China” or “PRC”	the People’s Republic of China excluding, for the purpose of this Prospectus, Hong Kong, the Macau Special Administrative Region and Taiwan;
“China National Textile and Apparel Council”	a national industry organisation authorised by the PRC Government providing business consultation, constructing of market intelligence system and facilitating market development for the textile industry in the PRC (中國紡織工業協會);
“China Statistical Yearbook 2011”	an official publication issued annually by the <i>National Bureau of Statistics of China</i> (中華人民共和國國家統計局), a department within the government of the PRC (中國統計年鑑 2011);
“China Textile Industry Development Reports”	the national textile industry development reports for the years ended 31 December 2006, 2007, 2008, 2009 and 2010 (中國紡織工業發展報告);
“Commerce & Finance”	Commerce & Finance Law Offices;
“Companies Law”	the Companies Law, Cap.22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands;

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“Companies Ordinance”	the Companies Ordinance (Chapter 32 of the Laws of Hong Kong);
“connected person(s)”	has the meaning ascribed thereto under the Listing Rules;
“Controlling Shareholders”	has the meaning ascribed thereto in the Listing Rules and unless the context requires otherwise, refers to Popular Trend and Mr. Zheng, who, together, will control the exercise of approximately 46.76% voting rights in the general meeting of our Company immediately after completion of the Global Offering and the Capitalisation Issue (assuming that the Over-allotment Option is not exercised);
“Corporate Reorganisation”	the corporate reorganisation of our Group conducted in preparation for the Listing, details of which are set out in the paragraph headed “Corporate Reorganisation” under the section headed “History and Corporate Structure” in this Prospectus;
“Covenantors”	Popular Trend, Mr. Zheng and Zheng Yongxiang;
“Da Yu Investments”	Da Yu Investments Limited, a company incorporated in BVI on 10 May 2006, the entire issued share capital of which is owned by Mr. Lin;
“Deed of Indemnity”	a deed of indemnity dated 9 December 2011 entered into between the Covenantors and our Company (for itself and as trustee for its subsidiaries), under which the Covenantors have given certain indemnities in favour of our Company containing, among others, the indemnities referred to in the paragraph headed “Other Information — Estate Duty, Tax and Other Indemnities” in Appendix VI in this Prospectus;
“Deed of Non-Competition”	a deed of non-competition dated 3 December 2011 entered into by the Covenantors in favour of our Company, details of which are disclosed in the section headed “Relationship with Controlling Shareholders” in this Prospectus;
“Development Plans for Textile Industry”	development plans for the textile industry in the PRC issued by the General Office of the State Council of the People’s Republic of China (紡織工業調整和振興規劃);
“Director(s)”	the directors of our Company as at the date of this Prospectus;
“EIA”	the U.S. Energy Information Administration;
“EIT”	enterprise income tax payable under the EIT Law;
“EIT Law”	the enterprise income tax law of the PRC (中華人民共和國企業所得稅法);

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“Enterprises With Scale”	enterprises each with an annual revenue of more than RMB5.0 million;
“Equipment Tax Reduction”	Jinyuan’s EIT reduction related to the purchase of domestic manufactured equipment and machinery for the years ended 31 December 2006 and 2007 of a total tax reduction of RMB38.4 million, approved by the <i>Jiangxi Administration of State Taxation of Yichun City</i> ;
“Facility One”	the first production facility built on our Company’s production base;
“Facility Two”	the second production facility built on our Company’s production base;
“Fengxin Investment”	Fengxin County Changxin Investment Development Limited (奉新縣長新投資發展有限公司), a company established in the PRC on 3 September 2007 and Chen Xiuyin (陳秀銀), a director of our subsidiary Jiangxi Jinyuan, holding 60% of its equity interests;
“Fengxin Real Estate”	Fengxin Baocheng Real Estate Limited (奉新寶誠房地產有限公司), a company established in the PRC on 10 October 2009 and Zheng Yongxiang, our Director, holding 51% of its equity interests;
“Flourish Talent”	Flourish Talent Group Limited, a company incorporated in BVI on 12 January 2011, the entire issued share capital of which is owned by Mr. Sze;
“GDP”	gross domestic products;
“Global Offering”	the Hong Kong Public Offer and the International Placing;
“Green Application Form(s)”	the application form(s) to be completed by White Form eIPO Service Provider;
“HK\$” or “HK dollar(s)” and “cent(s)”	Hong Kong dollar(s) and cent(s) respectively, the lawful currency of Hong Kong;
“HKICPA”	Hong Kong Institute of Certified Public Accountants;
“HKSCC”	Hong Kong Securities Clearing Company Limited;

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“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 25,000,000 Shares being initially offered by us for subscription pursuant to the Hong Kong Public Offer subject to re-allocation as described in the section headed “Structure of the Global Offering” in this Prospectus;
“Hong Kong Public Offer”	the offer of the Hong Kong Offer Shares for subscription by the public in Hong Kong for cash at the Offer Price, on and subject to the terms and conditions described in this Prospectus and the Application Forms;
“Hong Kong Underwriters”	the underwriters of the Hong Kong Public Offer listed in the section headed “Underwriting — Underwriters — Hong Kong Underwriters” in this Prospectus;
“Hong Kong Underwriting Agreement”	the underwriting agreement relating to the Hong Kong Public Offer entered into, among others, between our Company, the Controlling Shareholders, the Sole Global Coordinator and the Hong Kong Underwriters dated 9 December 2011;
“IFRS”	International Financial Reporting Standard(s);
“Independent Third Party(ies)”	an individual(s) or a company(ies) who or which is/are independent of and not connected with (within the meaning of the Listing Rules) our Directors, chief executive or substantial shareholders (within the meaning of the Listing Rules) of our Company, our subsidiaries or any of their respective associates, and not otherwise a connected person of our Company;
“Integrity Technology”	Integrity Technology Investment Ltd., a company incorporated in BVI on 25 January 2011, the entire issued share capital of which is owned by Ms. Chow;
“International Placing”	the conditional placing by the International Underwriters of the International Placing Shares, as further described in the section headed “Structure of the Global Offering”;
“International Placing Shares”	the 225,000,000 Shares (subject to re-allocation and the Over-allotment Option as described in the section headed “Structure of the Global Offering” in this Prospectus) being initially offered by us for subscription pursuant to the International Placing together, where relevant, with any additional Shares to be issued pursuant to the exercise of the Over-allotment Option;
“International Underwriters”	the underwriters of the International Placing;

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“International Underwriting Agreement”	the underwriting agreement expected to be entered into on or around 15 December 2011 by our Company, the Controlling Shareholders, the Sole Global Coordinator and the International Underwriters in respect of the International Placing, as further described in the section headed “Underwriting — Underwriting Arrangements and Expenses — International Placing” in this Prospectus;
“Issuing Mandate”	the unconditional mandate granted to our Directors to allot and issue Shares pursuant to the resolutions as set out in the paragraph headed “Resolutions in Writing of All the Shareholders Passed on 3 December 2011” in Appendix VI to this Prospectus;
“Jiangxi Jinyuan” or “Jinyuan”	Jinyuan Textile Co., Ltd. Jiangxi (江西金源紡織有限公司), a wholly foreign-owned enterprise established in the PRC on 10 October 2005 and is a wholly-owned subsidiary of our Company;
“Jinlun Company”	Fujian Jinlun Fiber Joint Stock Co., Ltd. (福建省金綸高纖股份有限公司) (formerly Fujian Jinlun Petrochemical Fiber Industry Co., Ltd.)(福建金綸石化纖維實業有限公司)), a company established in the PRC on 11 November 2003 which, other than Fengxin Investment holding 3.45% of the equity interests and Zheng Baoyou (鄭寶佑) (the father of Mr. Zheng and Zheng Yongxiang) being its chairman, has no connection with our Controlling Shareholders, Directors and their respective associates;
“Jolly Success”	Jolly Success International Limited, a company incorporated in BVI on 3 March 2011 and is a wholly-owned subsidiary of our Company;
“Latest Practicable Date”	5 December 2011, being the latest practicable date prior to the printing of this Prospectus for the purpose of ascertaining certain information contained in this Prospectus prior to its publication;
“Listing”	the listing of the Shares on the Main Board;
“Listing Committee”	the Listing Committee of the Stock Exchange;
“Listing Date”	the date, expected to be on or about 22 December 2011, on which dealings in the Shares first commence on the Stock Exchange;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange (as amended from time to time);
“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;
“Memorandum of Association” or “Memorandum”	the memorandum of association of our Company;

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“Modern Creative”	Modern Creative Group Limited, a company incorporated in the BVI on 12 February 2002 and is owned by Liu Shu Fa as to 50% and Wang Juan as to 50%. Wang Juan is the spouse of Liu Shu Fa;
“Mr. Sze”	Sze Irons, J.P., a substantial shareholder of our Company and a non-executive Director;
“Mr. Lin”	Lin Sing Yun (former name Lin Chong Yang (林重陽), a shareholder of our Company;
“Mr. Zheng” or “Mr. Zheng Hong”	Zheng Hong, the controlling shareholder of our Company and an executive Director;
“Ms. Chow”	Chow Ping, a shareholder of our Company;
“National Bureau of Statistics of China”	the <i>National Bureau of Statistics of China</i> (中華人民共和國國家統計局);
“Offer Price”	the final offer price per Offer Share (excluding brokerage fee, SFC transaction levy and Stock Exchange trading fee) which will be not more than HK\$0.73 and is expected to be not less than HK\$0.60, such price to be determined on or before 15 December 2011 or such later date not later than 20 December 2011 as may be agreed between our Company and the Sole Lead Manager (on behalf of the Underwriters);
“Offer Shares”	the International Placing Share(s) and the Hong Kong Offer Share(s), and where relevant, together with any additional Share(s) issued pursuant to the exercise of the Over-allotment Option;
“our Company” or the “Company”	China Weaving Materials Holdings Limited (中國織材控股有限公司) (formerly China Weaving Materials Holdings Ltd.), a company incorporated with limited liability under the laws of the Cayman Islands on 4 May 2011;
“our Group”, the “Group”, “we” or “us”	our Company and our subsidiaries following the completion of the Corporate Reorganisation, and a Group company shall refer to any one of them;
“Over-allotment Option”	the option to be granted by our Company to the International Underwriters exercisable by the Sole Lead Manager on behalf of the Placing Underwriters, pursuant to which our Company may be required to allot and issue up to 37,500,000 additional new Shares, representing 15% of the Offer Shares initially available under the Global Offering at the Offer Price, to, among other things, cover over-allocations of the International Placing (if any) as further described in the section headed “Structure of the Global Offering”;

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“PBOC”	the People’s Bank of China (中國人民銀行);
“Popular Trend”	Popular Trend Holdings Limited, a company incorporated in BVI on 22 November 2010, the entire issued share capital of which is owned by Mr. Zheng;
“PRC Government”	the central government and local government entities of the PRC including all government subdivisions and instrumentalities thereof or, where the context requires, any of them;
“Pre-IPO Investment Agreement”	the agreement dated 23 December 2009 (which is supplemented and amended by a supplemental agreement dated 7 May 2011) and entered into between Mr. Zheng, Mr. Sze, Mr. Lin, Ms. Chow and the Pre-IPO Investor;
“Pre-IPO Investor” or “Orient Dynasty”	Orient Dynasty Holdings Limited, a company incorporated in BVI on 27 November 2009, the entire issued share capital of which is owned by Modern Creative;
“Price Determination Date”	the date, on which the Offer Price is determined, which is expected to be on or around 15 December 2011 but no later than 20 December 2011;
“Property Valuation Report”	the property valuation report prepared by Jones Lang LaSalle Sallmanns Limited as set out as Appendix IV to this Prospectus;
“Prospectus”	this prospectus dated 12 December 2011;
“Regulation S”	Regulation S under the U.S. Securities Act;
“Repurchase Mandate”	the unconditional mandate granted to our Directors to repurchase Shares pursuant to the resolutions as set out in the paragraph headed “Resolutions in Writing of All the Shareholders Passed on 3 December 2011” in Appendix VI to this Prospectus;
“RMB”	Renminbi, the lawful currency of the PRC;
“SAFE”	the <i>State Administration of Foreign Exchange of the PRC</i> (中華人民共和國國家外匯管理局);
“SAT”	the <i>State Administration of Taxation of the PRC</i> (中華人民共和國國家稅務總局);
“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) with a nominal value of HK\$0.10 each in the capital of our Company, which are to be subscribed for and traded in Hong Kong dollars and listed on the Stock Exchange;



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“Share Lender”	Popular Trend;
“Share Option Scheme”	the share option scheme conditionally adopted by our Company on 3 December 2011, the principal terms of which are summarised under the paragraph headed “Share Option Scheme” in Appendix VI to this Prospectus;
“Shareholder(s)”	holder(s) of the Share(s);
“Sole Global Coordinator”, “Sole Bookrunner” or “Sole Lead Manager”	Guotai Junan Securities (Hong Kong) Limited, a corporation licensed to engage in types 1 and 4 regulated activities under the SFO, the sole bookrunner and sole lead manager of the Global Offering;
“Sole Sponsor” or “Guotai Junan”	Guotai Junan Capital Limited, a corporation licensed to engage in type 6 regulated activity under the SFO;
“Stock Borrowing Agreement”	the stock borrowing agreement to be entered into between the Sole Lead Manager and the Share Lender;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“subsidiary(ies)”	has the meaning ascribed thereto in section 2 of the Companies Ordinance;
“Track Record Period”	the three years ended 31 December 2010 and the six months ended 30 June 2011;
“Treasure Resources”	Treasure Resources Corporation Limited, a company with limited liability incorporated in Hong Kong on 13 April 2011 and is a wholly-owned subsidiary of our Company;
“Underwriters”	the Hong Kong Underwriters and the International Underwriters;
“Underwriting Agreements”	the Hong Kong Underwriting Agreement and the International Underwriting Agreement;
“United States” or “U.S.”	the United States of America within the meaning of Regulation S;
“U.S. Securities Act”	the securities laws of the United States, including the Securities Act of 1933, as amended, and the regulations of the U.S. Securities and Exchange Commission promulgated pursuant thereto;
“US dollars” or “US\$”	United States dollars, the lawful currency for the time being of the United States;
“VAT”	value-added tax;

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“ <b>White Form eIPO</b> ”	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 <b>White Form eIPO</b> <a href="http://www.eipo.com.hk">www.eipo.com.hk</a> ;
“ <b>White Form eIPO Service Provider</b> ”	Computershare Hong Kong Investor Services Limited;
“WTO”	the World Trade Organisation; and
“%”	per cent.

*Certain amounts and percentage figures included in this Prospectus have been subject to rounding adjustments. Unless otherwise stated, all the numerical figures are rounded to one decimal place. Any discrepancy in any table between totals and sums of individual amounts listed in any table are due to rounding. Accordingly, figures shown as totals in certain tables may not be an arithmetic aggregation of the figures preceding them.*

*In this Prospectus, unless otherwise stated, certain amounts denominated in Renminbi have been translated into HK dollars at an exchange rate of RMB1 = HK\$1.25 for illustration purpose only. Such conversions shall not be construed as representations that amounts in Renminbi were or could have been or could be converted into HK dollars at such rates or any other exchange rates on such date or any other date.*

*If there is any inconsistency between the Chinese names of entities or enterprises established in the PRC and their English translations, the Chinese names shall prevail. The English translation of company names in Chinese is for identification purpose only.*

*Unless otherwise specified, all relevant information in this Prospectus assumes no exercise of the Over-allotment Option.*