
DEFINITIONS

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

“affiliate(s)”	any other person, directly or indirectly, controlling or controlled by or under direct or indirect common control with such specified person
“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, relating to the Hong Kong Public Offering
“Articles of Association” or “Articles”	the articles of association of our Company, adopted on March 31, 2011, as amended supplemented or otherwise modified from time to time
“associate(s)”	has the meaning ascribed thereto under the Listing Rules
“Baikai Elastic Weaving”	Fujian Baikai Elastic Weaving Co., Ltd.* (福建省百凱彈性織造有限公司), a limited liability company established under the laws of the PRC on April 14, 1997 and a wholly-owned subsidiary of Baikai H.K. Baikai Elastic Weaving is a connected person of our Company
“Baikai Group”	Baikai Elastic Weaving, Baikai Paper, Baikai Textile, Baikai Wrap Knitting and Baikai Zipper
“Baikai H.K.”	Baikai (HK) Industrial Limited (百凱(香港)實業有限公司), a company incorporated in Hong Kong with limited liability on June 3, 2008. Baikai H.K. is wholly-owned by Mr. Lin Jinjing who is a brother-in-law of both Mr. Sze Tin Yau and Mr. Wu Jinbiao, both being our executive Directors. Baikai H.K. is a connected person of our Company
“Baikai Paper”	Fujian Baikai Paper Co., Ltd.* (福建百凱紙品有限公司), a limited liability company established under the laws of the PRC on June 13, 2001 and a wholly-owned subsidiary of Baikai H.K. Baikai Paper is a connected person of our Company
“Baikai Textile”	Fujian Baikai Textile Chemical Fiber Industry Co., Ltd.* (福建百凱紡織化纖實業有限公司), a limited liability company established under the laws of the PRC on May 18, 2000 and a wholly-owned subsidiary of Baikai H.K. Baikai Textile is a connected person of our Company

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“Baikai Wrap Knitting”	Fujian Baikai Wrap Knitting Industry Co., Ltd.* (福建省百凱經編實業有限公司), a limited liability company established under the laws of the PRC on September 27, 2002 and a wholly-owned subsidiary of Baikai H.K. Baikai Wrap Knitting is a connected person of our Company
“Baikai Zipper”	Fujian Baikai Zipper Dress Co., Ltd.* (福建省百凱拉鍊服飾有限公司), a limited liability company established under the laws of the PRC on January 30, 2002 and a wholly-owned subsidiary of Baikai H.K. Baikai Zipper is a connected person of our Company
“Billion Development”	Billion Development (Hong Kong) Limited (百宏發展 (香港)有限公司), a company incorporated in Hong Kong with limited liability on December 15, 2010 and an indirect wholly-owned subsidiary of our Company
“Billion Fujian”	Fujian Billion Polymerization Fiber Technology Industrial Co., Ltd.* (福建百宏聚纖科技實業有限公司), formerly known as Fujian Billion Polymerization Fiber Industrial Co., Ltd. (福建百宏聚合纖維實業有限公司), a wholly foreign-owned enterprise established under the laws of the PRC on November 20, 2003 and an indirect wholly-owned subsidiary of our Company
“Billion H.K.”	Billion Wise Industrial Limited (百宏實業有限公司), a company incorporated in Hong Kong with limited liability on December 30, 1996. Billion H.K. is owned as to 50% by Mr. Sze Tin Yau and as to 50% by Mr. Wu Jinbiao, both being our executive Directors, and is a connected person of our Company. Billion H.K. was the sole shareholder of Billion Fujian immediately prior to the Corporate Reorganization and ceased to hold any interest in Billion Fujian upon completion of the Corporate Reorganization
“Billion Industrial Investment”	Billion Industrial Investment Limited (百宏實業投資有限公司), an investment holding company incorporated in the BVI with limited liability on December 7, 2010 and a direct wholly-owned subsidiary of our Company
“Board” or “Board of Directors”	the board of Directors
“Business Day”	a day that is not a Saturday, Sunday or public holiday in Hong Kong
“BVI”	British Virgin Islands

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“Capitalization Issue”	the issue of 1,724,249,800 Shares upon capitalization of certain sums standing to the credit of the share premium account of our Company referred to in the paragraph headed “4. Written resolutions of our Shareholders passed on March 31, 2011” under the section headed “A. Further Information about our Company” in Appendix VI to this prospectus
“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
“CCBI”	CCB International Capital Limited, a corporation licensed under the SFO to conduct Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities under the SFO
“CMAI”	Chemical Market Association, Inc. (析邁諮詢有限公司), an international chemical market research and consulting company, and an Independent Third Party
“CNAS”	China National Accreditation Service for Conformity Assessment (中國合格評定國家認可委員會), an Independent Third Party
“Companies Law”	the Companies Law, Cap 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands
“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”	Billion Industrial Holdings Limited (百宏實業控股有限公司), an exempted company incorporated under the laws of the Cayman Islands with limited liability on November 25, 2010
“connected person(s)”	has the meaning ascribed thereto under the Listing Rules

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“Controlling Shareholder(s)”	has the meaning ascribed thereto under the Listing Rules and unless the context requires otherwise, refers to each of Kingom Power and its beneficial owner, Mr. Sze Tin Yau, and Winnett Investments and its beneficial owner, Mr. Wu Jinbiao
“Corporate Reorganization”	the corporate reorganization of our Group conducted in preparation for the Listing, details of which are set out in the paragraph headed “Corporate Reorganization” under the section headed “History and Corporate Structure” in this prospectus
“CSRC”	China Securities Regulatory Commission (中國證券監督管理委員會), a regulatory body responsible for the supervision and regulation of the securities markets in the PRC
“CTIEI”	China Textile Industry Engineering Institute* (中國紡織工業設計院), an Independent Third Party
“Deed of Indemnity”	a deed of indemnity dated April 30, 2011 entered into between our Controlling Shareholders and our Company for itself and as trustee for its subsidiaries, under which our Controlling Shareholders have given certain indemnities in favor of our Company containing, among others, the indemnities referred to in the paragraph headed “Other Information — Estate duty, tax and other indemnity” in Appendix VI to this prospectus
“Deed of Non-competition”	a deed of non-competition dated April 30, 2011 entered into by our Controlling Shareholders in favor of our Company, details of which are disclosed in the section headed “Relationship with Controlling Shareholders” in this prospectus
“Director(s)”	director(s) of our Company, including all executive and independent non-executive Directors, as of the date of this prospectus
“Donghua University”	Donghua University* (東華大學), a national key university located in Shanghai, which is the top university in the textile industry in China previously known as China Textile University* (中國紡織大學) and East China Institute of Textile Engineering (華東紡織工學院)
“E.U.”	the European Union
“Frost & Sullivan”	Forst & Sullivan (Beijing) Inc., Shanghai Co. (弗若斯特沙利文(北京)諮詢有限公司上海分公司), an international market research and consulting company and an Independent Third Party

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“Fujian Jinlun”	Fujian Jinlun Fiber Shareholding Co., Ltd.* (福建省金綸高纖股份有限公司), a limited liability company established in the PRC and an Independent Third Party
“Fynex Textile” or “鳳竹”	Fynex Textile Science & Technology Company Limited* (福建鳳竹紡織科技股份有限公司), a limited liability company established in the PRC and an Independent Third Party
“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”, “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 our present subsidiaries, the present subsidiaries of our Company and the business carried on by such subsidiaries or (as the case may be) their predecessors
“Hengxinglong Polyester”	Fujian Jinjiang City Hengxinglong Polyester Co., Ltd.* (福建省晉江市恒興隆化纖條綸有限公司), a limited liability company established under the laws of the PRC on September 18, 1998. Hengxinglong Polyester is wholly-owned by Mr. Wu Qingshun, the son of Mr. Wu Jianshe, our executive Director. Hengxinglong Polyester is a connected person of our Company
“HKFRS”	Hong Kong Financial Reporting Standards
“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 the PRC
“Hong Kong dollars” or “HK dollars” or “HK\$” and “cents”	Hong Kong dollars and cents, respectively, the lawful currency of Hong Kong
“Hong Kong Offer Shares”	the 57,475,000 Shares being initially offered by our Company for subscription under the Hong Kong Public Offering at the Offer Price (subject to adjustment as described in the section headed “Structure of the Global Offering” in this prospectus)

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“Hong Kong Public Offering”	the offer for subscription of the Hong Kong Offer Shares to the public in Hong Kong at the Offer Price on the terms and subject to the conditions described in this prospectus and the Application Forms, as further described in the prospectus and the Application Forms
“Hong Kong Share Registrar”	Computershare Hong Kong Investor Services Limited
“Hong Kong Underwriters”	the underwriters listed in the section headed “Underwriting — Underwriters — Hong Kong Underwriters” in this prospectus, being the underwriters of the Hong Kong Public Offering
“Hong Kong Underwriting Agreement”	the underwriting agreement dated May 4, 2011 relating to the Hong Kong Public Offering and entered into by, among others, the Joint Global Coordinators, the Hong Kong Underwriters and us, as further described in the paragraph headed “Hong Kong Public Offering” under the section headed “Underwriting” in this prospectus
“Independent Third Party(ies)”	an individual(s) or a company(ies) who or which is/are not connected with (within the meaning of the Listing Rules) any director, chief executive or substantial shareholder (within the meaning of the Listing Rules) of our Company, its subsidiaries or any of their respective associates
“International Placing”	the conditional offering of the International Placing Shares to professional and institutional investors, as further described in the section headed “Structure of the Global Offering” in this prospectus
“International Placing Agreement”	the underwriting agreement relating to the International Placing to be entered into on or about the Price Determination Date by, among others, our Controlling Shareholders, the Joint Global Coordinators, the International Underwriters and us, as further described in the paragraph headed “The International Placing” under the section headed “Structure of the Global Offering” in this prospectus
“International Placing Shares”	the 517,275,000 Shares being initially offered by our Company for subscription under the International Placing together, where relevant, with any additional Shares that may be issued pursuant to any exercise of the Over-allotment Option, subject to adjustment as described in the section headed “Structure of the Global Offering” in this prospectus
“International Underwriters”	the underwriters of the International Placing which are expected to enter into the International Placing Agreement
“Jiangsu Hengli”	Jiangsu Hengli Chemical Fiber Co., Ltd.* (江蘇恒力化纖有限公司), a limited liability company established in the PRC and an Independent Third Party

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“Jiangsu Shenghong”	Jiangsu Shenghong Chemical Fiber Co., Ltd.* (江蘇盛虹化纖有限公司), a limited liability company established in the PRC and an Independent Third Party
“Jinxing”	Jinxing (Fujian) Fiber Textile Industrial Co., Ltd.* (錦興(福建)化纖紡織實業有限公司), a limited liability company established in the PRC and an Independent Third Party
“Joint Bookrunners”	UBS and CCBI
“Joint Global Coordinators”	UBS and CCBI
“Joint Lead Managers”	UBS and CCBI
“Joint Sponsors”	Merrill Lynch and CCBI
“Kaiping”	Guangdong Kaiping Chunhui Co., Ltd.* (廣東開平春暉股份有限公司), a limited liability company established in the PRC and an Independent Third Party
“Kingom Power”	Kingom Power Limited (帝權有限公司), an investment holding company incorporated in the BVI with limited liability on July 9, 2010. It is wholly-owned by Mr. Sze Tin Yau, one of the Controlling Shareholders of our Group and our executive Directors. Kingom Power will hold 37.5% of the Shares upon the Listing (assuming the Over-allotment Option is not exercised and no option to be granted under the Share Option Scheme is exercised), and is a connected person of our Company
“Latest Practicable Date”	April 28, 2011, being the latest practicable date 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 of the Stock Exchange
“Listing Committee”	the listing committee of the Stock Exchange
“Listing Date”	the date, expected to be on or about May 18, 2011, on which our Shares are listed and from which dealings therein are permitted to take place on the Stock Exchange
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited as amended, supplemented or otherwise modified from time to time

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“Macau”	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
“Memorandum of Association” or “Memorandum”	the memorandum of association of our Company
“Merrill Lynch”	Merrill Lynch Far East Limited, a corporation licensed under the SFO for Type 1 (dealing in securities), Type 4 (advising on securities) and Type 6 (advising on corporate finance) regulated activities under the SFO
“Ministry of Commerce” or “MOFCOM”	the Ministry of Commerce of the PRC (中華人民共和國商務部)
“NDF”	non-deliverable forward, a forward contract in which counterparties settle the difference between the agreed exchange rate and the prevailing spot rate on an agreed nominal amount
“Oeko-Tex Association”	International Association for Research and Testing in the Field of Textile Ecology, an Independent Third Party
“Offer Price”	the final offer price per Offer Share (exclusive of brokerage of 1%, SFC transaction levy of 0.003% and Stock Exchange trading fee of 0.005%) at which the Hong Kong Offer Shares are to be subscribed under the Hong Kong Public Offering, and at which the International Placing Shares are to be offered under the International Placing, to be determined as described in the paragraph headed “Pricing of the Global Offering” under the section headed “Structure of the Global Offering” in this prospectus
“Offer Share(s)”	the Hong Kong Offer Shares and the International Placing Shares together, where relevant, with any additional Shares issued and allotted pursuant to the exercise of the Over-allotment Option
“Our brand”	the “百宏” and “Billion” brands
“Over-allotment Option”	the option expected to be granted by our Company to the Joint Global Coordinators (on behalf of the International Underwriters), pursuant to the International Placing Agreement, to require our Company to allot up to an aggregate of 86,212,500 additional Shares, representing approximately 15% of the Offer Shares initially available under the Global Offering, at the Offer Price, 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), the central bank of China
“PRC” or “China”	the People’s Republic of China, which, for the purposes of this prospectus only (unless otherwise indicated), excludes Hong Kong, Macau and Taiwan
“Price Determination Agreement”	the agreement to be entered into between us and the Joint Bookrunners on the Price Determination Date to record and fix the Offer Price
“Price Determination Date”	the date, expected to be on or about May 12, 2011 at which time the Offer Price is fixed for the purpose of the Global Offering
“QIBs”	qualified institutional buyers within the meaning of Rule 144A under the U.S. Securities Act
“Regulation S”	Regulation S under the U.S. Securities Act
“Renminbi” or “RMB”	Renminbi, the lawful currency of the PRC
“Rongsheng”	Rongsheng Chemical Fiber Group Co., Ltd.* (榮盛化纖集團有限公司) is established in the PRC and an Independent Third Party
“SAFE”	the PRC State Administration of Foreign Exchange (中華人民共和國國家外匯管理局)
“Securities and Futures Commission” or “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 and supplemented from time to time
“Share Option Scheme”	the share option scheme conditionally adopted by our Company pursuant to a resolution passed by the Shareholders on March 31, 2011, the principal terms of which are summarized under the paragraph headed “G. Share Option Scheme” in Appendix VI to this prospectus
“Shareholder(s)”	holder(s) of the Share(s)
“Share(s)”	ordinary share(s) with a nominal value of HK\$0.01 each in the share capital of our Company
“south China”	the provinces in the southern area of China, which include Fujian, Guangdong, Guangxi and Hainan Provinces

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“Standing Committee of NPC”	the Standing Committee of the National People’s Congress (全國人民代表大會常務委員會)
“State Council”	the State Council of the PRC (中華人民共和國國務院)
“Stock Borrowing Agreement”	the stock borrowing agreement expected to be entered into among UBS or its authorized agents and Kingom Power on or about the Price Determination Date, pursuant to which UBS or its authorized agents may borrow up to 86,212,500 Shares from Kingom Power to cover any over-allocation under the International Placing
“Stock Exchange” and “Hong Kong 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(s)”	has the meaning ascribed thereto under the Listing Rules
“the PRC government”	the central government of the PRC, including all government subdivisions (including provincial, municipal and other regional or local government entities)
“Track Record Period”	the three financial years ended December 31, 2008, 2009 and 2010
“UBS”	UBS AG, Hong Kong Branch, a registered institution under the SFO to Conduct Type 1 (dealing in securities), Type 4 (advising on securities), Type 6 (advising on corporate finance), Type 7 (providing automated trading services) and Type 9 (asset management) regulated activities under the SFO
“Underwriters”	the Hong Kong Underwriters and the International Underwriters
“Underwriting Agreements”	the Hong Kong Underwriting Agreement and the International Placing Agreement
“U.S.” or “United States”	the United States of America, its territories, its possessions and all areas subject to its jurisdiction
“USD,” “US\$,” “US dollar(s)” or “United States dollars”	United States dollar, the lawful currency of the United States
“U.S. Securities Act”	the United States Securities Act of 1933, as amended from time to time

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“White Form eIPO”	the application for Hong Kong Offer Shares to be issued in the applicant’s own name through the designated website of White Form eIPO www.eipo.com.hk
“White Form eIPO Service Provider”	Computershare Hong Kong Investor Services Limited
“Winwett Investments”	Winwett Investments Limited (運盈投資有限公司), an investment holding company incorporated in the BVI with limited liability on September 28, 2010. It is wholly-owned by Mr. Wu Jinbiao, one of the Controlling Shareholders of our Group and our executive Directors. Winwett Investments will hold 37.5% of the Shares upon the Listing (assuming the Over-allotment Option is not exercised and no option to be granted under the Share Option Scheme is exercised), and is a connected person of our Company
“Xianglu Fiber”	Xianglu Polyester Fiber (Xiamen) Co., Ltd.* (翔鷺滌綸紡織(廈門)有限公司) is established in the PRC and an Independent Third Party
“Zhejiang Hengyi”	Zhejiang Hengyi Group Co., Ltd.* (浙江恒逸集團有限公司) is established in the PRC and an Independent Third Party
“Zhejiang Tong Kun”	Tong Kun Group Co., Ltd.* (桐昆集團股份有限公司) is established in the PRC and an Independent Third Party
“%”	per cent

The English names of the PRC nationals, entities, departments, facilities, certificates, titles and the like mentioned in this prospectus are translations from their Chinese names. If there is any inconsistency, the Chinese name shall prevail. The names marked with “” are for identification purpose only.*

Unless otherwise specified, all references to any shareholdings in our Company assume no exercise of the Over-allotment Option.