

## DEFINITIONS AND CONVENTIONS

In this prospectus, unless the context otherwise requires, the following terms and expressions shall have the meanings set out below.

“Application Form(s)”	<b>WHITE</b> application form(s) for the Hong Kong Offer Shares for use by public applicants who require such Hong Kong Offer Shares to be issued in their own names, <b>YELLOW</b> application form(s) for the Hong Kong Offer Shares for use by public applicants who require such Hong Kong Offer Shares to be deposited into CCASS 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 conditionally adopted by the Company, a summary of which is set forth in “Appendix VII — Summary of the Constitution of Our Company and Cayman Islands Companies Law” in this prospectus
“Board” or “Board of Directors”	the board of directors of the Company
“BVI”	the British Virgin Islands
“CAGR”	compound annual growth rate
“Capitalization Issue”	the issue of shares upon capitalization of certain sum standing to the credit of the share premium account of our Company referred to in the paragraph headed “Appendix IX — Statutory and General Information — Further Information about our Company and our Subsidiaries — Written resolutions of all our Shareholders passed on May 3, 2011” in this prospectus
“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 the 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, 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

## DEFINITIONS AND CONVENTIONS

	this prospectus to “China” and the “PRC” do not include Taiwan, Hong Kong and Macau
“Controlling Shareholders”	has the meaning ascribed thereto under the Listing Rules and unless the context otherwise requires, in the context of this prospectus refers to Freewings and the Ultimate Controlling Shareholders
“Convertible Notes”	the IFC Convertible Notes and the MS Convertible Notes
“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 PRC national securities markets
“Directors”	the director(s) of the Company, including all executive, non-executive and independent non-executive Directors
“FSC”	Forest Stewardship Council
“forecast period”	the period comprising years from 2010 to 2014 used in the Frost & Sullivan Report
“Freewings”	Freewings Development Co., Ltd., an investment holding company incorporated under the laws of BVI on April 1, 2008 and a Controlling Shareholder
“Frost & Sullivan”	Frost & Sullivan (Beijing) Inc., a global market research and consulting company, which is an independent third party
“Frost & Sullivan Report”	a report dated February 2011 that we commissioned Frost & Sullivan to prepare regarding wood flooring market in China and a consumer survey to understand consumer behavior and company brand awareness
“GDP”	gross domestic product
“Global Offering”	the Hong Kong Public Offering and the International Offering
“Green Application Form(s)”	the application form(s) to be completed by <b>White Form eIPO</b> Service Provider, Computershare Hong Kong Investor Services Limited
“Group”, “the Group” or “our Group”	the Company and its subsidiaries
“Guangdong Weihua”	Guangdong Weihua Corporation (廣東威華股份有限公司), a company listed on the Shenzhen Stock Exchange
“Guangdong Yingran”	Guangdong Yingran Wood Industry Co., Ltd. (廣東盈然木業有限公司), a limited liability company established in the PRC on January 16, 2007, which is engaged

## DEFINITIONS AND CONVENTIONS

in the manufacturing of laminated flooring and an indirect wholly-owned subsidiary of the Company

“Hailin Yingtai”	Yingtai (Hailin) Wood Industry Co., Ltd. (海林盈泰木業有限公司), a limited liability company established in the PRC on May 16, 2007, which is engaged in the manufacturing of branded three-layered engineered flooring and wholly-owned by Asia Hero Enterprises Limited, which was a wholly-owned subsidiary of the Company prior to December 2010
“Headland HAV3”	HAV3 (9) Limited, an exempted company incorporated in the Cayman Islands with limited liability on August 30, 2010, which is an investment holding company and a direct shareholder of our Company
“Headland HAV3 SPA”	a sale and purchase agreement dated September 24, 2010 made amongst Freewings, Mr. Se Hok Pan, and Headland HAV3 for the sale to Headland HAV3 of 2,307,827 Shares held by Freewings
“HK\$”, “HK dollars” or “Hong Kong dollars”	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” or “HK”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Hong Kong Companies Ordinance”	the Hong Kong Companies Ordinance (Chapter 32 of the Laws of Hong Kong) (as amended from time to time)
“Hong Kong Offer Shares”	the shares offered pursuant to the Hong Kong Public Offering (subject to adjustment and re-allocation as described in the section headed “Structure of the Global Offering” 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 Share Registrar”	Computershare Hong Kong Investor Services Limited
“Hong Kong Stock Exchange” or “Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Hong Kong Underwriters”	the underwriters of the Hong Kong Public Offering as listed in the section headed “Underwriting — Hong Kong Underwriters” in this prospectus

## DEFINITIONS AND CONVENTIONS

“Hong Kong Underwriting Agreement”	the underwriting agreement dated May 13, 2011 entered into among the Company, the Controlling Shareholders, the Joint Global Coordinators and the Hong Kong Underwriters relating to the Hong Kong Public Offering, as further described in the section headed “Underwriting” in this prospectus
“Hubei Xiangfan”	Hubei Xiangfan Yingfu Xinsheng Flooring Co., Ltd. (湖北襄樊盈福新盛地板有限公司), a limited liability company established in the PRC on July 15, 2010, 19% equity of which is held by the Company
“IAS”	International Accounting Standards and their interpretations
“IASB”	the International Accounting Standards Board
“IFC”	International Finance Corporation, member of the World Bank Group and a direct shareholder of our Company
“IFC Convertible Notes”	convertible notes issued to IFC by our Company on May 29, 2008
“IFRS”	International Financial Reporting Standards promulgated by the IASB, which include IAS
“International Offer Shares”	the Shares offered pursuant to the International Offering (subject to adjustment, re-allocation and the Over-allotment Option as described in the section headed “Structure of the Global Offering” in this prospectus)
“International Offering”	the conditional placing by the International Underwriters of the International Offer Shares, as further described in the section headed “Structure of the Global Offering” in this prospectus
“International Underwriters”	the underwriters of the International Offering named in the International Underwriting Agreement to underwrite the International Offering
“International Underwriting Agreement”	the underwriting agreement relating to the International Offering, which is expected to be entered into among our Company, our Controlling Shareholders, the Joint Global Coordinators, the Joint Bookrunners and the International Underwriters on or around May 20, 2011
“ISO”	the International Organization for Standardization, a non-government organization based in Geneva, Switzerland, for assessing the quality of business organizations
“Jiangxi Forest”	Jiangxi Yingran Forest Development Co., Ltd. (江西盈然林業發展有限公司), a limited liability company established in the PRC on June 30, 2009, which is

## DEFINITIONS AND CONVENTIONS

	engaged in the plantation business and an indirect wholly-owned subsidiary of the Company
“Jiangxi Nature”	Jiangxi Nature Wood Based Panels Co., Ltd. (江西大自然人造板有限公司), a limited liability company established in the PRC on April 22, 2008, which is engaged in the manufacturing of fibreboard and an indirect wholly-owned subsidiary of the Company
“Jiangxi Yingran”	Jiangxi Yingran Wood Industry Co., Ltd. (江西盈然地板有限公司), a limited liability company established in the PRC on July 15, 2008, which is engaged in the manufacturing of laminated flooring and an indirect wholly-owned subsidiary of the Company
“Joint Bookrunners”, “Joint Global Coordinators”, “Joint Sponsors” or “Joint Lead Managers”	Morgan Stanley Asia Limited, The Hongkong and Shanghai Banking Corporation Limited and Standard Chartered Securities (Hong Kong) Limited
“Kunshan Nature”	Yingyi-Nature (Kunshan) Wood Industry Co., Ltd. (昆山盈意大自然木業有限公司), a limited liability company established in the PRC on December 29, 2006, which is engaged in the manufacturing of engineered flooring and an indirect wholly-owned subsidiary of the Company
“Latest Practicable Date”	May 9, 2011, the latest practicable date for the purposes of ascertaining certain information for inclusion in this prospectus
“Liaoning Tai’an”	Liaoning Tai’an Yingfu Xincheng Flooring Co., Ltd. (遼寧台安盈福新盛地板有限公司), a limited liability company established in the PRC on July 14, 2010, 19% equity of which is held by the Company
“Listing”	listing of our Shares on the Main Board
“Listing Committee”	the Listing Committee of the Hong Kong Stock Exchange
“Listing Date”	the date, expected to be Thursday, May 26, 2011, on which dealings in the Shares commence on the Hong Kong Stock Exchange
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (as amended from time to time)
“Macau”	the Macau Special Administrative Region of the People’s Republic of China

## DEFINITIONS AND CONVENTIONS

“Main Board”	the stock exchange (excluding the option market) operated by the Hong Kong Stock Exchange which is independent from and operated in parallel with the Growth Enterprise Market of the Hong Kong Stock Exchange
“Memorandum of Association” or “Memorandum”	the memorandum of association of our Company as currently adopted
“Mixed Media Offer”	the mixed media offer whereby our Company will issue printed <b>WHITE</b> and <b>YELLOW</b> Application Forms in connection with the Global Offering without being accompanied by a printed form of this prospectus provided that, among other conditions, an electronic form of this prospectus will be made available on the websites of the Stock Exchange and the Company, pursuant to section 9A of the Companies Ordinance (Exemption of Companies and Prospectuses from Compliance with Provisions) Notice (Chapter 32L of the Laws of Hong Kong)
“MOFCOM”	Ministry of Commerce of the PRC (中華人民共和國商務部)
“MOP”	Macau Pataca, the lawful currency of Macau
“MS Convertible Notes”	convertible notes issued to MS Flooring by our Company on May 8, 2008
“MS Flooring”	MS Flooring Holding Co., Ltd, an exempted company incorporated in the Cayman Islands with limited liability on April 10, 2008, which is an investment holding company and a direct shareholder of our Company
“MSPEA III”	Morgan Stanley Private Equity Asia III, L.P., a limited partnership established under the laws of the Cayman Islands on March 28, 2007, which is engaged in investment and related activities and is the majority shareholder of MSPEA III Cayman
“MSPEA III Cayman”	Morgan Stanley Private Equity Asia III Holdings (Cayman) Ltd, an exempted company incorporated in the Cayman Islands with limited liability on May 9, 2007, which is an investment holding company and the sole shareholder of MS Flooring
“MSPEA III GP”	Morgan Stanley Private Equity Asia III, L.L.C., a limited liability company incorporated under the laws of Delaware on February 6, 2007, and which is the general partner of MSPEA III
“MSPEA III Inc.”	Morgan Stanley Private Equity Asia III, Inc., a company incorporated under the laws of Delaware on January 17, 2007, which is engaged in investment advisory services and which is the managing member of MSPEA III GP
“NDRC”	National Development and Reform Commission of the PRC (中華人民共和國國家發展和改革委員會)
“Offer Price”	the final Hong Kong dollar price per Share (exclusive of brokerage, SFC transaction levy and Hong Kong Stock Exchange trading fees) at which the Shares are to be subscribed for and issued pursuant to the Hong Kong Public Offering, to be determined as further described in the section headed “Structure of the Global Offering” in this prospectus

## DEFINITIONS AND CONVENTIONS

“Offer Shares”	the Hong Kong Offer Shares and the International Offer Shares together, where relevant, with any additional Shares issued pursuant to the exercise of the Over-allotment Option
“Over-allotment Option”	the option to be granted by our Company to the International Underwriters, exercisable by the Joint Global Coordinators, on behalf of the International Underwriters, pursuant to which our Company may be required to issue up to an aggregate of 56,001,000 additional Shares, representing approximately 15% of the initial number of Offer Shares offered under the Global Offering, at the Offer Price to, among other things, cover over-allocations in the International Offering, if any
“PBOC”	People’s Bank of China (中國人民銀行), the central bank of China
“Pöyry”	Pöyry (Beijing) Consulting Co., Ltd., Shanghai Branch, a forestry consultant
“PRC Company Law”	Company Law of the PRC (《中華人民共和國公司法》), as adopted at the Fifth Session of the Standing Committee of the Eighth National People’s Congress on December 29, 1993, effective July 1, 1994, as amended, supplemented or otherwise modified from time to time
“PRC GAAP”	the PRC Accounting Standards and Accounting Regulations for Business Enterprises and its supplementary regulations
“PRC Government” or “State”	the central government of the PRC including all political subdivisions (including provincial, municipal and other local or regional government entities) and organizations of such government or, as the context requires, any of them
“Pre-IPO Share Option Scheme”	the Pre-IPO share option scheme of our Company approved and adopted by a written resolution passed by our then shareholders on December 16, 2008, which was subsequently amended pursuant to a written resolution passed by our then shareholders on June 30, 2010 and a written resolution passed by the Board on April 26, 2011, the principal terms of which are set out in the paragraph headed “Appendix IX — Statutory and General Information — Share Option Schemes — Pre-IPO Share Option Scheme” to this prospectus
“Preferred Share(s)”	the voting preferred share(s) having a par value of US\$0.001 each in the capital of our Company
“Price Determination Date”	the date, expected to be on or around Friday, May 20, 2011, but no later than Tuesday, May 24, 2011 on which the Offer Price is fixed for the purposes of the Global Offering
“Principal Share Registrar”	Butterfield Fulcrum Group (Cayman) Limited
“Profit Forecast Period”	the period comprising the six months ending June 30, 2011
“Province” or “province”	each being a province or, where the context requires, a provincial level autonomous region or municipality under the direct supervision of the central government of the PRC

## DEFINITIONS AND CONVENTIONS

“Qualified Institutional Buyers” or “QIBs”	qualified institutional buyers as defined in Rule 144A
“Regulation S”	Regulation S under the U.S. Securities Act
“Reorganization”	the reorganization of our Group, details of which are set out in the paragraph headed “History and Development — Reorganization” in this prospectus
“Retail Stores”	retail stores owned and operated by our distributors to sell our branded products
“RMB” or “Renminbi”	Renminbi Yuan, the lawful currency of the PRC
“Rule 144A”	Rule 144A under the U.S. Securities Act
“S/.”	Nuevos Soles, the lawful currency of Peru
“SAFE”	State Administration of Foreign Exchange of the PRC (中華人民共和國國家外匯管理局)
“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 from time to time)
“Share Adjustments”	the transfer of 3,298,212 Shares and 1,319,285 Shares by MS Flooring and IFC, respectively to Freewings prior to completion of the Global Offering and the Capitalization Issue, in each case pursuant to the Shareholders’ Agreement, details of which are set out in the paragraph headed “History and Development — Investment by MS Flooring, IFC and Headland HAV3” in this prospectus
“Share Option Scheme”	the share option scheme conditionally adopted by our Company pursuant to a resolution passed by our then shareholders on May 3, 2011, the principal terms of which are set out in the paragraph headed “Appendix IX — Statutory and General Information — Share Option Schemes — Share Option Scheme” in this prospectus
“Shareholder(s)”	holder(s) of the Share(s)
“Shareholders’ Agreement”	the amended and restated shareholders and note holders agreement between our Company, MS Flooring, IFC, and the Controlling Shareholders (other than Mr. She Jian Bin, Team One Investments and Trader World) dated May 21, 2008



<b>DEFINITIONS AND CONVENTIONS</b>
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“Share(s)”	the ordinary share(s) having a par value of US\$0.001 each in the capital of our Company
“SKU”	Stock-Keeping Unit, a number or code used by our Group to identify each distinct product that can be purchased
“Special Share”	the special share of par value US\$0.001 in the capital of our Company
“sq.m.”	square meters
“Stabilizing Manager”	Morgan Stanley Asia Limited
“State Council”	the PRC State Council (中華人民共和國國務院)
“Stock Borrowing Agreement”	the stock borrowing agreement expected to be entered into on or about Friday, May 20, 2011 between Freewings, a shareholder of the Company and the Stabilizing Manager (or its affiliates acting on its behalf) pursuant to which Freewings will agree to lend certain Shares to the Stabilizing Manager (or its affiliates acting on its behalf) on terms set forth therein
“Takeovers Code”	the Hong Kong Code on Takeovers and Mergers
“Team One Investments”	Team One Investments Limited, an investment holding company incorporated under the laws of BVI on March 1, 2011, a Controlling Shareholder, the entire issued share capital of which is owned by Mr. Se Hok Pan
“Track Record Period”	the period comprising the three years ended December 31, 2010
“Trader World”	Trader World Limited, an investment holding company incorporated under the laws of BVI on March 1, 2011, a Controlling Shareholder, the entire issued share capital of which is owned by Ms. Un Son I
“Ultimate Controlling Shareholder”	each of (1) Mr. Se Hok Pan (2) Ms. Un Son I (3) Mr. She Jian Bin (4) Mr. Chow Chi Keung Savio (5) Mr. Nam Cheung Ming Louis (6) Team One Investments (7) Trader World
“Underwriters”	the Hong Kong Underwriters and the International Underwriters
“Underwriting Agreements”	the Hong Kong Underwriting Agreement and the International Underwriting Agreement

## DEFINITIONS AND CONVENTIONS

“United States” or “US” or “U.S.” or “U.S.A”	the United States of America, its territories, its possessions and all areas subject to its jurisdiction
“US\$” or “US dollars”	United States dollars, the lawful currency of the United States
“U.S. Securities Act”	the U.S. Securities Act of 1933, as amended, and the rules and regulations promulgated thereunder
“VAT”	value-added tax
“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 <a href="http://www.eipo.com.hk">www.eipo.com.hk</a>
“White Form eIPO Service Provider”	Computershare Hong Kong Investor Services Limited
“Wholesale Volume”	the volume of our branded flooring products that we and/or authorized manufacturers, as applicable, sell directly to our exclusive distributors, property development companies and home furnishing supermarkets in China, excluding an immaterial portion of our branded products sold overseas
“Zhangjiagang Nature”	Nature (Zhangjiagang) Wood Industry Co., Ltd. (大自然(張家港)木業有限公司), a limited liability company established in the PRC on March 3, 2008 and an indirect wholly-owned subsidiary of the Company engaged in the manufacturing of solid wood raw materials and veneer
“Zhongshan Nature”	Nature (Zhongshan) Wood Industry Co., Ltd. (中山市大自然木業有限公司), a limited liability company established in the PRC on October 13, 2004 and an indirect wholly-owned subsidiary of the Company engaged in the manufacturing of laminated flooring

In this prospectus:

- the “Company,” “we,” “us,” “our” and “our Company” refer to China Flooring Holding Company Limited (中國地板控股有限公司), an exempted company incorporated under the laws of the Cayman Islands, and, unless the context otherwise requires, the subsidiaries of China Flooring Holding Company Limited (中國地板控股有限公司);
- “our branded products” refer to products bearing our brands manufactured at our own factories and/or by authorized manufacturers;
- a “business day” is a day that is not Saturday, Sunday or public holiday in Hong Kong;
- “county-level cities” refer to county-level cities under the PRC administrative division system. As an administrative division unit, a county-level city is generally directly below and under the direct supervision of its corresponding municipal-level or provincial-level government;

## DEFINITIONS AND CONVENTIONS

- the terms “associate,” “connected person,” “connected transaction,” “subsidiary” and “substantial shareholder” shall have the meanings given to such terms in the Listing Rules, unless the context otherwise requires;
- an “independent third party” is an individual or a company who or which is not connected (within the meaning of the Listing Rules) with any director, chief executive or substantial shareholders (within the meaning of the Listing Rules) of our Company, its subsidiaries or any of their respective associates;
- 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;
- unless otherwise specified, all relevant information in this prospectus assumes no exercises of the Over-allotment Option and the options granted under the Pre-IPO Share Option Scheme;
- for illustration purpose only and unless otherwise stated, certain amounts denominated in Renminbi are translated into HK dollars at an exchange rate of RMB0.8509 to HK\$1.00, rounded from the exchange rate set by the PBOC for foreign exchange transactions prevailing on December 31, 2010. Such conversions shall not be construed as representations that amounts in Renminbi were or may have been converted into HK dollars at such rates or any other exchange rates or at all; and
- translated English names of PRC, Peruvian and Macanese laws and regulations, governmental authorities, departments, entities, institutions, natural persons, facilities, certificates, titles and the like included in this prospectus and for which no official English translation exists are unofficial translations for identification purposes only. In the event of any inconsistency, the PRC, Peruvian or Macanese names (as the case may be) prevail.