

DEFINITIONS

In this prospectus, unless the context otherwise requires, the respective terms and expressions shall have the meanings set out below. Certain other terms are explained in the section headed “Glossary of Technical Terms” of this prospectus

“13th Weaving Mill”	Shaanxi Province 13th Cotton Weaving Mill (陝西第十三棉紡織廠), a PRC state-owned enterprise established in 1958 which went into liquidation in 2008
“Application Form(s)”	WHITE application form(s) and YELLOW application form(s) relating to the Public Offer or, where the context so requires, any of them
“associates”	has the meaning ascribed to it under the Listing Rules
“Board”	the board of Directors of the Company
“business day”	any day (other than a Saturday, a Sunday or a public holiday in Hong Kong) on which banks in Hong Kong are open for normal banking business
“BVI”	the British Virgin Islands
“Bye-laws”	the bye-laws of the Company, a summary of certain existing provisions of which is set out in Appendix IV to this prospectus
“CAGR”	compound annual growth rate
“Capitalisation Issue”	the issue of Shares to be made upon capitalisation of certain sums standing to the credit of the share premium account of the Company referred to in the paragraph headed “Written Resolution of the shareholders of the Company dated 24 June 2011” 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

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“chief executive”	the chief executive (as defined in the SFO) of the Company
“China” or “PRC”	the People’s Republic of China (and except the context requires, references in this prospectus to the PRC or China do not include Hong Kong, the Macau Special Administration Region of the People’s Republic of China or Taiwan)
“the Company” or “Golden Shield”	Golden Shield Holdings (Industrial) Limited (金盾控股 (實業) 有限公司), a company incorporated in Bermuda with limited liability
“Companies Act”	the Companies Act 1981 of Bermuda (as amended)
“Companies Ordinance”	the Companies Ordinance (Chapter 32 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Controlling Shareholder(s)”	the Major Shareholder, Mr. Qiu and Mr. Chen or any of them
“Covenantors”	the Controlling Shareholders, Hai Xin, Mr. Kung, Wealth Lake, Mr. Cheung and Mr. Li
“Dali Production Plant”	the spinning and weaving plant equipped with production and ancillary facilities acquired by the Group from 13th Weaving Mill and modified by the Group
“Director(s)”	the director(s) of the Company
“GDP”	gross domestic product
“Government”	the Government of Hong Kong
“the Group”	the Company and its subsidiaries as at the date of this prospectus
“Guang Hua Weaving Mill”	Shaanxi Province Guang Hua Weaving Factory (陝西光華紡織廠), a PRC state-owned enterprise established in 1970 which went into liquidation in 2008
“Guang Hua Production Plant”	the spinning and weaving plant equipped with production and ancillary facilities acquired by the Group from Guang Hua Weaving Mill and modified by the Group
“Guotai Junan Capital” or “Sponsor”	Guotai Junan Capital Limited, a licensed corporation under the SFO, authorized to conduct type 6 regulated activities under the SFO

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“Guotai Junan Securities” or “Lead Manager” or “Bookrunner”	Guotai Junan Securities (Hong Kong) Limited, a licensed corporation under the SFO to engage in type 1 (dealing in securities) and type 4 (advising on securities) regulated activities under the SFO
“Hai Xin”	Hai Xin Capital Group Limited (海信資本集團有限公司), a company incorporated in Hong Kong with limited liability and wholly owned by Mr. Kung
“HKGSL”	Hong Kong Golden Shield Limited (香港金盾有限公司), a company incorporated in Hong Kong with limited liability and a wholly-owned subsidiary of the Company
“HKFRS”	Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants
“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
“HK\$” and “Cents”	Hong Kong dollar(s) and cent(s), respectively, the lawful currency of Hong Kong
“Independent Third Party(ies)”	party(ies) who is/are independent of and not connected with any directors, chief executive or substantial shareholder of the Company or its subsidiaries or any of their respective associates
“IPO”	initial public offering
“Jade Goal”	Jade Goal Holdings Limited (高翠控股有限公司), a company incorporated in BVI with limited liability and a wholly-owned subsidiary of the Company
“Jing Yang Golden Shield”	Golden Shield Textile (Jing Yang) Co., Ltd (金盾紡織(涇陽)有限公司), a company established in the PRC with limited liability and a wholly-owned subsidiary of the Company
“Jing Yang Spinning Mill”	Jing Yang Spinning Mill (涇陽縣棉紡織廠), a PRC stated-owned enterprise established in 1969 which went into liquidation in 2000
“Jing Yang Production Plant”	the spinning and weaving plant equipped with production and ancillary facilities acquired by the Group from Jing Yang Spinning Mill and modified by the Group

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“Latest Practicable Date”	23 June 2011, being the latest practicable date for ascertaining certain information contained in this prospectus prior to the publication of this prospectus
“Listing”	the listing of Shares on the Main Board
“Listing Committee”	the Listing Committee of the Stock Exchange
“Listing Date”	the date, expected to be on or before 14 July 2011, on which dealings in the Shares first commence on Main Board
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange, as amended from time to time
“Main Board”	the Main Board of the Stock Exchange
“Major Shareholder”	Tong Fa Limited (通發有限公司), a company incorporated in BVI with limited liability and wholly owned by Mr. Qiu and Mr. Chen
“Memorandum”	the memorandum of association of the Company, as amended from time to time, a summary of which is contained in Appendix IV to this prospectus
“MOFCOM”	the Ministry of Commerce of the PRC (中華人民共和國商務部) or its predecessor, the Ministry of Foreign Trade and Economic Cooperation of the PRC (中華人民共和國對外貿易經濟合作部), and its delegated authorities
“Mr. Chen”	Mr. Chen Binghui, the managing director of the Company
“Mr. Cheung”	Mr. Cheung Yung
“Mr. Kung”	Mr. Kung Shih Kun
“Mr. Li”	Mr. Li Xiaoxiong
“Mr. Lin”	Mr. Lin Shuqing, a non-executive Director
“Mr. Qiu”	Mr. Qiu Jianfa, the non-executive Chairman of the Company
“MT”	million tonnes
“NDRC”	the 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) or its predecessor, the State Development Planning Commission of the PRC (中華人民共和國國家發展計劃委員會)

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“New Issue”	the issue of 188,380,000 new Shares under the Share Offer by the Company at the Offer Price
“New Shares”	the 188,380,000 new Shares being offered at the Offer Price by the Company under the Share Offer
“Offer Price”	the price of HK\$0.7 per Offer Share
“Offer Shares”	the Placing Shares and the Public Offer Shares
“Placing”	the conditional placing of the Placing Shares by the Placing Underwriters on behalf of the Company, at the Offer Price, with professional, institutional and other investors as further described in the section headed “Structure and Conditions of the Share Offer” in this prospectus
“Placing Shares”	the 163,884,000 New Shares being offered by the Company for subscription and the 56,516,000 Sale Shares being offered by the Selling Shareholders for purchase under the Placing (subject to the reallocation as described in the section headed “Structure and Conditions of the Share Offer” in this prospectus)
“Placing Underwriters”	the underwriters of the Placing whose names are set forth in the section headed “Underwriting” in this prospectus
“Placing Underwriting Agreement”	the underwriting agreement relating to the Placing to be entered into on or about 5 July 2011 among the Company, the executive Directors, the Covenantors, the Selling Shareholders, the Sponsor, the Lead Manager and the Placing Underwriters as further described in the section headed “Underwriting” in this prospectus
“Public Offer”	the offer of the Public Offer Shares by the Company for subscription by members of the public in Hong Kong at the Offer Price for cash, payable in full on application, and subject to the terms and conditions stated in this prospectus and in the related Application Forms as further described in the section headed “Structure and Conditions of the Share Offer” in this prospectus
“Public Offer Shares”	the 24,496,000 New Shares initially offered by the Company for subscription under the Public Offer, representing 10% of the initial number of the Offer Shares (subject to reallocation as described in the section headed “Structure and Conditions of the Share Offer” in this prospectus)
“Public Offer Underwriters”	the underwriters of the Public Offer whose names are set forth in the section headed “Underwriting” in this prospectus

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“Public Offer Underwriting Agreement”	the underwriting agreement dated 27 June 2011 relating to the Public Offer, particulars of which are set forth in the section headed “Underwriting” in this prospectus
“Reorganisation”	the corporate reorganisation of the Group in preparation for the Listing, particulars of which are set forth under the paragraph headed “Corporate reorganisation” in Appendix VI to this prospectus
“Regulation S”	Regulation S under the U.S. Securities Act
“RMB” or “Renminbi”	Renminbi yuan, the lawful currency of the PRC
“SAFE”	the State Administration of Foreign Exchange of the PRC (中華人民共和國國家外匯管理局) and its branch offices
“SAIC”	the State Administration for Industry and Commerce of the PRC (中華人民共和國國家工商行政管理總局)
“SFC”	the Securities and Futures Commission of Hong Kong
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended from time to time
“Sale Shares”	the 56,516,000 Shares being offered for sale by the Selling Shareholders at the Offer Price under the Placing
“Selling Shareholders”	Hai Xin, Mr. Li and Wealth Lake
“Shaanxi Golden Shield”	Shaanxi Golden Shield Textile Co., Ltd (陝西金盾紡織有限公司), a limited liability company established in the PRC and owned by Mr. Chen, the managing director of the Company, and Mr. Lin, a non-executive Director
“Share(s)”	share(s) with a nominal value of HK\$0.1 each in the share capital of the Company
“Shareholder(s)”	holder(s) of Shares
“Share Offer”	the Placing and the Public Offer
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary(ies)”	has the meaning ascribed to it under the Companies Ordinance
“Track Record Period”	the three years ended 31 December 2010
“Underwriters”	the Placing Underwriters and the Public Offer Underwriters

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“Underwriting Agreements”	the Public Offer Underwriting Agreement and the Placing Underwriting Agreement
“U.S.” or “United States”	the United States of America
“USD” or “US\$”	United States dollar(s), the lawful currency of the United States
“U.S. Securities Act”	the U.S. Securities Act of 1933, as amended from time to time
“VAT”	value-added tax of the PRC
“Wealth Lake”	Wealth Lake Investment Limited, a company incorporated in BVI with limited liability and wholly owned by Mr. Cheung
“WFOE”	wholly foreign-owned enterprise of the PRC
“WTO”	World Trade Organisation
“Xinjiang”	Xinjiang Uygur Autonomous Region (新疆維吾爾自治區)
“Yongle Production Plant”	the Group’s production plant for cotton yarn spinning at Yongle Town, Jingyang County, Xianyang City, Shaanxi Province, the PRC (中國陝西省咸陽市涇陽縣永樂鎮)
“%”	percent.

For illustration purpose only and unless otherwise specified in this prospectus, conversion of RMB into HK dollars is calculated at the conversion rate of HK\$1.00 = RMB0.84 and conversion of US dollars into HK dollars is calculated at the conversion rate of US\$1.00 to HK\$7.80. No representation is made that the RMB and US dollars amounts could have been, or could be, converted into HK dollars, or vice versa, at such rates or at any other rate on such date or on any other date.

Any discrepancies in any table between the total shown and the sum of the amounts listed are due to rounding.

English of the Chinese names or words included in this prospectus are for identification purpose only, and should not be regarded as the official English translation of such Chinese names or words. If there is any inconsistency, the Chinese names or words shall prevail.