
GLOSSARY OF TECHNICAL TERMS

This glossary of technical terms contains explanations of certain terms used in this prospectus as they relate to us and as they are used in this prospectus in connection with us and our business. These terms and their given meanings may not correspond to standard industry definitions.

“Air-jet loom”	a shuttleless weaver that uses air to weave fabric
“cm”	centimeter(s)
“combed yarn(s)”	a stronger, finer and smoother yarn, the production of which requires an additional process known as combing which further straightens the fibers and extracts foreign matters
“compact spinning”	a system of spinning which is performed by adding a condenser unit between the drafting zone and the yarn formation zone that uses air flow to group the fiber strands horizontally thereby producing better yarns than the ordinary combed cotton yarns. Compact yarns can reduce the hairiness, increase the efficiency of weaving machines and save dyes and sizing and desizing costs, making the fabrics more environmentally friendly. Siro-spinning is a type of compact spinning performed by Siro-spinning machines
“cotton yarn(s)”	cotton thread used in knitting and weaving which is produced from cotton that has been put through a spinning process
“designated size”	size of the companies with core business revenue of RMB5 million (as defined by the National Bureau of Statistics of China)
“dobby fabric(s)”	woven grey fabrics with geometric woven patterns produced by the selective control of groups of yarns on the air-jet doobby loom
“fiber-blended yarn(s)”	cotton or non-cotton fibers blended yarn consisting of cotton (or non-cotton fibers) and other non-cotton fibers such as bamboo fiber, corn fiber, milk fiber and soybean fiber, etc.
“Four Points System”	a standard issued by the American Society of Testing and Materials to measure the quality of fabrics
“functional fabric”	fabrics that incorporate value-added features such as anti-bacterial, thermal insulating, anti-odour, moisture-absorbent, recyclable after use, biodegradable and anti-ultraviolet
“GB”	GuoBiao (國標), a collective term for the mandatory national standard character encodings of China; a GB standard for a particular application usually corresponds to the relevant international standard in the same application

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“GB/T28001-2001”	international occupational health and safety management system specification or national recommended standards for occupational health and safety; also known as “OHSAS18001:1999 or GB/T28001-2001: Occupational Health and Safety System — Standard and Application Manual”
“GB/T398-2008”	GB standard for quality of original-coloured cotton yarn products
“GB/T406-2008”	GB standard for quality of original-coloured cotton grey fabrics
“grey fabric(s)”	fabrics taken directly from the loom without any additional finishing operations such as dyeing or bleaching
“high-count and high-density”	thread count of fabric over 40S and thread density of fabric over 709 threads/10cm, according to the Euromonitor Report
“home textile” or “home textile product(s)”	textile for home decoration and home furniture (such as covering for beds and tables, quilts, quilt covers, pillow cases, bed sheets, window curtains, window shades). Home textile industry is one of the important downstream industries for high-end grey fabrics, according to the Euromonitor Report
“home textile fabric(s)”	grey fabrics used for manufacturing home textile products
“ISO”	International Organisation for Standardisation, a worldwide federation of national standards bodies from all over the world
“ISO 9001”	the international standards of quality management and quality assurance formulated by ISO Technical Committee 176 (ISO/TC 176) in 1987
“ISO 14001”	the internationally recognised environmental standard for companies
“jacquard fabric(s)”	woven grey fabric with large, intricate designs woven into it by specialised jacquard loom and equipment. The design is incorporated during the weaving process
“jacquard loom”	air-jet loom or rapier loom or other weaving loom incorporating the jacquard machine. It enables the production of fabrics with intricate woven patterns
“jacquard machine(s)”	a set of special equipment or device installed with a loom such as air-jet loom or rapier loom for manufacturing jacquard fabrics
“loom”	a machine for weaving fabric by interlacing a series of warp and weft

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“manufacturer sales value”	sales value (inclusive of value added tax of 17%) of products or services that manufacturers sell to distributors or to end customers directly
“new material(s) and fiber(s)”	materials or fibers (other than pure cotton yarns) such as milk fiber, soybean fiber, bamboo fiber, CoolMax, chitosan fiber, Modal, viscose, organic cotton as well as fibers blended with cotton used by us in our production
“rapier loom”	a shuttleless weaving loom in which the filling yarn is carried through the shed of warp yarns to the other side of the loom by fingerlike carriers called rapiers
“sliver”	an untwisted strand rope of textile fiber produced by a carding or combing machine and ready for drawing, roving, or spinning
“spindle”	an upright, slender and rotating rod which holds a bobbin on a spinning machine. When the spindle is rotated at high speed, the bobbin placed on the spindle receives the yarn. Spinning capacity is largely determined by the quantity and speed of spindles
“spinning machine”	a type of machine used to convert fibers into yarns. The traditional and commonly-used spinning system in cotton textile industry is ring-spinning. Other spinning systems used include jet spinning and compact spinning
“Tencel”	Tencel is the brand name of a category of fibers called lyocell, and Tencel [®] is the trademark owned by Lenzing Group. Tencel is a cellulosic fiber made from wood pulp cellulose through a proprietary Tencel production process. This fiber is twisted or spun into yarn which has different characteristics from normal cotton yarn, and which is woven or knitted into fabrics and garments. Tencel is a man-made fiber but natural in origin
“thread density”	the number of threads in both warp and weft in a square inch or per 10 cm of fabric
“warp”	the set of yarn in a woven fabric that runs parallel to the selvage at the right angles with the weft
“weft”	the set of yarn in a woven fabric that runs from selvage to selvage at right angles to the warp
“winding machine”	a type of machine used to combine two or more cotton yarn threads into a single thread of cotton yarn and also for further processing and shaping to make cotton yarn more shiny and even. Cotton yarn after processing by a winding machine becomes a finished product

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- “yarn(s)” a long, continuous length of interlocked fibers used to construct a fabric. As used in this prospectus, yarn includes cotton yarn, new material and fiber yarns and fiber-blended yarn
- “yarn count” or “thread count” thickness of a yarn which is based on the relation between length and weight of the yarn and can be represented by the number of fixed lengths of yarn per standard weight. In this prospectus, yarn count or thread count is measured in accordance with the British standard which is expressed in count number with abbreviation “S”. The British standard measures the number of yarn hanks, each of which is 840 yards long, per pound of yarn. Under such system, assuming the raw material used to produce the yarn is being the same, a bigger number generally implies a finer yarn and a smaller number implies a coarser yarn