
DEFINITIONS

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

“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” or “Articles of Association”	the articles of association of our Company, adopted on December 5, 2012 and as amended supplemented or otherwise modified from time to time, a summary of which is set out in Appendix V to this prospectus
“Atkins”	WS Atkins plc (trading as “Atkins”), an international engineering and design consultancy company founded in London in 1938 and listed on the London Stock Exchange in 1996, an Independent Third Party
“Atkins China”	Atkins China Limited, a wholly-owned subsidiary of Atkins incorporated in Hong Kong on May 12, 1989, which provides multidisciplinary engineering and design consultancy services, including a comprehensive range of environmental and sustainability consultancy services, an Independent Third Party we retain to conduct the Limited Phase I Environmental Due Diligence Assessment on us
“Best Conduct”	Best Conduct Investments Limited, a limited liability company incorporated in the BVI on September 27, 2007 under the laws of BVI and wholly-owned by Richwise Capital
“Board” or “Board of Directors”	the board of directors of our Company
“business day”	any day (excluding a Saturday, or a Sunday or public holiday in Hong Kong) on which licenced banks in Hong Kong are generally open for normal banking business
“BVI”	the British Virgin Islands
“CAGR”	compound annual growth rate, a measurement to assess the growth rate of value over time
“Capitalization Issue”	the issue of Shares to be made upon capitalization of certain sums standing to the credit of the share premium account of our Company as referred to in the section headed “Further Information about our Company — Written resolutions of all the Shareholders passed on December 5, 2012 and December 10, 2012” in Appendix VI to 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 HKSCC

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“CCASS Clearing Participant”	a person admitted to participate in CCASS at a direct clearing participant or a 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
“CCBI”	CCB International Capital Limited, a corporation licenced under the SFO and permitted to carry on Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities
“Chen Family Trust”	the discretionary trust set up by Ms. Zhou Peizhen as the settlor pursuant to a trust deed dated August 14, 2012 in respect of the shares in Rich BVI
“Cheng Nan Recycling”	Yongfeng Cheng Nan Waste Materials Recycling Co., Ltd. (永豐縣城南廢舊物資回收有限公司), a limited liability company established in the PRC on July 15, 2002 and de-registered on July 30, 2012
“China Silver BVI”	China Silver Holdings Ltd. (中國白銀控股有限公司), a limited liability company incorporated in the BVI on July 29, 2010 under the initial name of “Noble Pride Holdings Limited” with an authorized share capital of US\$100,000 with a par value of US\$1.00 as at the Latest Practicable Date and a direct wholly-owned subsidiary of our Company
“China Silver Hong Kong”	China Silver Co., Limited (中國白銀有限公司), a limited liability company incorporated in Hong Kong on May 24, 2010 under the initial name of “Richwise Nonferrous Metals Co., Limited (睿富有色金屬有限公司)” with an authorized share capital of HK\$10,000 with a par value of HK\$1.00 as at the Latest Practicable Date and an indirect wholly-owned subsidiary of our Company
“China” or the “PRC”	the People’s Republic of China excluding, for the purpose of this prospectus, Hong Kong, the Macau Special Administrative Region of China and Taiwan, and “Chinese” shall be construed accordingly
“China Domestic Silver Price”	the spot price of No. 1 international silver with a purity grade of not less than 99.99% as quoted by the Shanghai White Platinum & Silver Exchange (inclusive of VAT)
“City EPB”	the Environmental Protection Bureau of Ji An City of Jiangxi Province of the PRC (吉安市環境保護局)
“City Monitoring Station”	Ji An City Environmental Monitoring Station (吉安市環境監控站), the environmental monitoring station located at Ji An City of Jiangxi Province of the PRC, which has qualifications relevant to environmental protection monitoring as recognized by the MEP

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“CNIA”	China Nonferrous Metals Industry Association
“COMEX”	COMEX Division of the New York Mercantile Exchange
“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”	China Silver Group Limited (中國白銀集團有限公司), a limited liability company incorporated in the Cayman Islands on July 19, 2012 under the Cayman Companies Law, or where the context refers to any time prior to its incorporation, those businesses and operations which were assumed by it pursuant to the Reorganization, or where the context requires, any of the businesses and operations that is being carried on by any member of our Group
“Controlling Shareholder(s)”	has the meaning ascribed thereto under the Hong Kong Listing Rules, and in the context of this prospectus, refers to the controlling shareholders of our Company, being Rich BVI, Mr. Chen Wantian and Ms. Zhou Peizhen
“County EPB”	the Environmental Protection Bureau of Yongfeng County of Jiangxi Province of the PRC (永豐縣環境保護局)
“CR Trust”	the discretionary trust set up by Ms. Zhou Peizhen as the settlor pursuant to a trust deed dated August 14, 2012 in respect of the shares in Highflier BVI
“CRU”	CRU International Ltd. is a London-based independent research and consulting company specializing in the international metals, mining and fertilizer industries, an Independent Third Party
“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
“CWL Trust”	the discretionary trust set up by Ms. Zhou Peizhen as the settlor pursuant to a trust deed dated August 14, 2012 in respect of the shares in Success BVI
“Director(s)”	the director(s) of our Company, including all executive, non-executive and independent non-executive directors
“Easy BVI”	Easy Eight Limited, a limited liability company incorporated in the BVI on July 9, 2012 under the laws of BVI and wholly-owned by Easy Guernsey
“Easy Guernsey”	Easy Eight Guernsey Limited, a limited liability company incorporated in Guernsey on August 14, 2012 under the laws of the Island of Guernsey and wholly-owned and controlled by Credit Suisse Trust Limited as the trustee of WWY Trust
“Everywhere BVI”	Every Where Limited, a limited liability company incorporated in the BVI under the laws of BVI on July 5, 2012 and wholly-owned by Everywhere Guernsey

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“Everywhere Guernsey”	Every Where Guernsey Limited, a limited liability company incorporated in Guernsey on August 14, 2012 under the laws of the Island of Guernsey and wholly-owned and controlled by Credit Suisse Trust Limited as the trustee of WCL Trust
“Function Delineation”	the delineation of departmental function since July 31, 2012 as described in “Business — Quality Control”
“GFMS”	GFMS Ltd is an independent precious metals consultancy specializing in global gold, silver, platinum and palladium market research
“Global Offering”	the Hong Kong Public Offering and the International Offering
“GREEN Application Form(s)”	the application form(s) to be completed by the White Form eIPO Service Provider
“Group”, “we” or “us”	our Company and its subsidiaries (or our Company and any one or more of its subsidiaries, as the context may require), or where the context so requires, in respect of the period before our Company became the holding company of its present subsidiaries, such subsidiaries as if they were subsidiaries of our Company at the relevant time
“Hebei Yingbo”	Hebei Yingbo Accreditation Company Limited (河北英博認證有限公司), an independent accreditation organization approved by the certification and accreditation administrative authorities of the PRC
“high-content ore powder”	ore/mineral powder sourced from mines or ore processing plants, which has not been processed through smelting refinery; in the case of our Company’s raw material purchase, high-content ore powder normally contains estimated silver content level of not less than 0.2% based on our testing samples
“Highflier BVI”	Highflier Investments Limited, a limited liability company incorporated in the BVI under the laws of BVI on July 9, 2012 and wholly-owned by Highflier Guernsey
“Highflier Guernsey”	Highflier Investments Guernsey Limited, a limited liability company incorporated in Guernsey under the laws of the Island of Guernsey on August 14, 2012 and wholly-owned and controlled by Credit Suisse Trust Limited as the trustee of CR Trust
“HK\$” or “HK dollars”	Hong Kong dollars, the lawful currency of Hong Kong
“HKSCC”	Hong Kong Securities Clearing Company Limited, a wholly-owned subsidiary of Hong Kong Exchanges and Clearing Limited
“HKSCC Nominees”	HKSCC Nominees Limited, a wholly-owned subsidiary of HKSCC
“Hong Kong” or “HK”	the Hong Kong Special Administrative Region of the PRC
“Hong Kong Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange (as amended from time to time)

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“Hong Kong Public Offer Shares”	the 15,884,000 Shares being initially offered by our Company for subscription at the Offer Price pursuant to the Hong Kong Public Offering (subject to adjustment as described in “Structure of the Global Offering” in this prospectus)
“Hong Kong Public Offering”	the issue and offer for subscription of the Hong Kong Public Offer Shares to the public in Hong Kong for cash (subject to adjustment as described in the section headed “Structure of the Global Offering” in this prospectus) at the Offer Price (plus brokerage, SFC transaction levies, and Stock Exchange trading fees), subject to and in accordance with the terms and conditions described in the section headed “Structure of the Global Offering — Conditions of the Hong Kong Public Offering” in this prospectus and the Application Forms
“Hong Kong Underwriters”	the several underwriters of the Hong Kong Public Offering listed in the section headed “Underwriting — Hong Kong Underwriters” in this prospectus
“Hong Kong Underwriting Agreement”	the underwriting agreement relating to the Hong Kong Public Offering entered into by, among others, our Company and the Hong Kong Underwriters on or around December 13, 2012, as further described in “Underwriting” in this prospectus
“IFRS”	International Financial Reporting Standards promulgated by the International Accounting Standards Board (“IASB”); IFRS include the International Accounting Standards (“IAS”) and their interpretations
“Independent Third Party(ies)”	person(s) or company(ies) which is(are) not a connected person(s) (as defined in the Hong Kong Listing Rules) of our Company
“International Offer Shares”	the 142,956,000 Shares (comprising 116,476,000 new Shares to be offered for subscription by our Company and 26,480,000 Sale Shares to be offered for sale by the Selling Shareholder) initially being offered under the International Offering together (subject to adjustment and the Over-allotment Option as described in the section headed “Structure of the Global Offering” in this prospectus)
“International Offering”	the conditional placing of the International Offer Shares by the International Underwriters with professional, institutional, corporate and/or other investors at the Offer Price, as further described in “Structure of the Global Offering” in this prospectus
“International Underwriters”	the several underwriters of the International Offering, who are expected to enter into 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 by, among others, our Company, our Controlling Shareholders, the Selling Shareholder and the International Underwriters on or around December 19, 2012

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“Investment and Shareholders’ Agreements”	the investment and shareholders’ agreement dated October 20, 2010 made between Richwise Capital, Longtianyong Nonferrous Metals, Mr. Chen Wantian, Ms. Zhou Peizhen, Mr. Chen Wanlong, Mr. Wan Chenglai, Mr. Chen Rong and Mr. Wu Wenyong, as supplemented by a supplemental agreement dated August 8, 2012, which took effect from July 2, 2012, made between Richwise Capital, Longtianyong Nonferrous Metals, China Silver BVI, Rich BVI, Mr. Chen Wantian, Ms. Zhou Peizhen, Mr. Chen Wanlong, Mr. Wan Chenglai, Mr. Chen Rong and Mr. Wu Wenyong
“Joint Bookrunners”	CCBI, UOBKH and Oriental Patron
“Joint Lead Managers”	CCBI, UOBKH and Oriental Patron
“Latest Practicable Date”	December 7, 2012, being the latest practicable date for the purposes of ascertaining certain information contained in this prospectus
“Limited Phase I Environmental Due Diligence Assessment”	Limited phase I environmental due diligence assessment undertaken by Atkins China with reference to the following standards: ASTM Standard E1528-00 “Standard Practice for Environmental Site Assessments: Transaction Screen Process”; ASTM Standard E1527-05 “Standard Practice for Environmental Site Assessments: Phase I Environmental Site Assessment Process”; and ASTM E1528-06 “Standard Practice for Limited Environmental Due Diligence: Transaction Screen Process”, which are commonly adopted in the environmental protection industry and adapted for use in China
“Listing”	listing of the Shares on the Main Board
“Listing Committee”	the listing sub-committee of the board of directors of the Stock Exchange
“Listing Date”	the date on which dealings in the Shares first commence on the Stock Exchange
“LME”	London Metal Exchange, which is the world’s premier non-ferrous metals market that offers a range of futures and options contracts for non-ferrous and minor metals and steel
“Longtianyong Equity Transfer Agreement”	the equity transfer agreement dated March 31, 2012 made between Mr. Chen Wantian, Mr. Chen Wanquan, Mr. Wu Wenyong, Mr. Chen Wancheng, Mr. Chen Wanlong, Mr. Chen Rong, Mr. Wan Chenglai (collectively known as the “then shareholders of Longtianyong Nonferrous Metals”) and Zhejiang Fuyin pursuant to which the then shareholders of Longtianyong Nonferrous Metals agreed to sell their entire equity interest in Longtianyong Nonferrous Metals to Zhejiang Fuyin for a cash amount of RMB110 million based on the registered capital of Longtianyong Nonferrous Metals
“Longtianyong Nonferrous Metals”	Jiangxi Longtianyong Nonferrous Metals Co., Ltd. (江西龍天勇有色金屬有限公司), a limited liability company established in the PRC on May 22, 2002 with a registered capital of RMB110 million as at the Latest Practicable Date and an indirect wholly-owned subsidiary of our Company

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“Longtianyong Recycling”	Yongfeng Longtianyong Waste Materials Recycling Co., Ltd (永豐縣龍天勇廢舊物資回收有限公司), a limited liability company established in the PRC on February 11, 2009 with a registered capital of RMB5 million as at the Latest Practicable Date and an indirect wholly-owned subsidiary of our Company
“low-content ore powder”	ore/mineral powder sourced from mines or ore processing plants, which has not been processed through smelting refinery; in the case of our Company’s raw material purchase, low-content ore powder normally contains estimated silver content level of less than 0.2% based on our testing samples
“Main Board”	the stock exchange operated by the Stock Exchange which is independent from and operated in parallel to the Growth Enterprise Market of the Stock Exchange
“Memorandum of Association” or “Memorandum”	the memorandum of association of our Company, adopted on December 5, and as amended from time to time, a summary of which is set out in Appendix V to this prospectus
“MEP”	Ministry of Environmental Protection of the PRC (中華人民共和國環境保護部), formerly known as State Environmental Protection Administration (國家環境保護總局)
“MOFCOM”	Ministry of Commerce of the PRC (中華人民共和國商務部)
“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 Offer Share (exclusive of brokerage, SFC transaction levies, and Stock Exchange trading fees) of not more than HK\$1.68 and expected to be not less than HK\$1.18, such price to be agreed upon by our Company (for itself and on behalf of the Selling Shareholder) and the Sole Global Coordinator (on behalf of the Underwriters) on or before the Price Determination Date
“Offer Shares”	the Hong Kong Public Offer Shares and the International Offer Shares together, where relevant, with additional Shares issued under the exercise of the Over-allotment Option
“Oriental Patron”	Oriental Patron Securities Limited
“Over-allotment Option”	the option granted by us to the International Underwriters, exercisable by the Stabilizing Manager on behalf of the International Underwriters, pursuant to which we may be required to allot and issue up to 23,826,000 additional Shares (representing up to 15% of the Shares initially being offered under the Global Offering) at the Offer Price to, among other things, cover over-allocations in the International Offering, details of which are described in the section headed “Structure of the Global Offering” in this prospectus
“PBOC”	the People’s Bank of China (中國人民銀行), the central bank of the PRC

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“PRC Company Law”	the Company Law of the PRC (中國人民共和國公司法), as enacted by the Standing Committee of the Eighth National People’s Congress on December 29, 1993 and effective on July 1, 1994, as amended, supplemented or otherwise modified from time to time
“PRC GAAP”	the PRC Accounting Standards for Business Enterprises, and the Application Guidance for Accounting Standard for Business Enterprise and interpretation of Accounting Standards for Business Enterprise and other relevant regulations
“PRC government” or “state”	the government of the PRC including all political subdivisions (including provincial, municipal and other regional or local government entities) and their instrumentalities thereof or, where the context requires, any of them
“Price Determination Date”	the date, expected to be on or around December 19, 2012 but no later than December 24, 2012, on which the Offer Price is fixed for the purposes of the Global Offering
“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
“Provincial EPD”	the Environmental Protection Department of Jiangxi Province of the PRC (江西省環境保護廳)
“Regulation S”	Regulation S under the Securities Act
“Reorganization”	the reorganization of the companies within our Group as set out in the sections headed “History, Reorganization and Group Structure” and “Appendix VI — Statutory and General Information — Changes in the share capital of our Company’s subsidiaries” in this prospectus
“Reporting Accountants”	Deloitte Touche Tohmatsu
“Rich BVI”	Rich Union Enterprises Limited, a limited liability company incorporated in the BVI under the laws of BVI on July 13, 2010 and one of our Controlling Shareholders which is wholly-owned by Rich Guernsey
“Rich Guernsey”	Rich Union Guernsey Limited, a limited liability company incorporated in Guernsey on August 14, 2012 under the laws of the Island of Guernsey and wholly-owned and controlled by Credit Suisse Trust Limited as the trustee of the Chen Family Trust
“Richwise Capital”	Richwise Capital Group Ltd (睿富資本集團有限公司), a limited liability company incorporated in the BVI on April 22, 2010 under the laws of BVI and is owned as to 70% and 30% by Mr. Shi Jinlei and Mr. Huang Yuanzhe, respectively, both of whom are Independent Third Parties
“RMB” or “Renminbi”	Renminbi Yuan, the lawful currency of the PRC

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“SAFE”	State Administration of Foreign Exchange of the PRC (中華人民共和國國家外匯管理局)
“SAWS”	State Administration of Work Safety of the PRC (國家安全生產監督管理總局)
“Sale Shares”	the 26,480,000 Shares to be offered for sale by the Selling Shareholder at the Offer Price under the International Offering
“Securities Act”	the U.S. Securities Act of 1933, as amended, supplemented or otherwise modified from time to time
“Selling Shareholder”	Best Conduct
“SFC”	the Securities and Futures Commission of Hong Kong
“SFO” or “Securities and Futures Ordinance”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
“Shanghai Futures Exchange”	Shanghai Futures Exchange (上海期貨交易所)
“Shanghai Gold Exchange”	Shanghai Gold Exchange (上海黃金交易所), approved by the State Council and founded by the PBOC, which organizes gold and silver transactions in China and performs regulated functions as stipulated by the applicable PRC rules and regulations as amended from time to time
“Shanghai Metals Market”	Shanghai Metals Market Information & Technology Company, a leading independent integrated supplier of metal market intelligence, and an industry event, research and consulting, and e-commerce services provider, which operates an information portal at www.smm.cn to provide data and information about China’s metal market
“Shanghai White Platinum & Silver Exchange”	Shanghai White Platinum & Silver Exchange Limited (上海華通鎢銀交易市場), currently China’s only officially designated exchange on the silver market
“Share(s)”	ordinary shares of HK\$0.01 each in capital of our Company
“Shareholders”	holder(s) of the Share(s)
“smelting slag”	a partially vitreous by-product of the process of smelting ore to separate the metal fraction from the unwanted fraction, which is sourced from smelters after certain valuable metals have been recovered; in the case of our Company’s raw material purchase, smelting slag normally contains estimated silver content level of not less than 0.2% based on our testing samples
“Sole Sponsor” or “Sole Global Coordinator”	CCBI
“Stabilizing Manager”	CCBI

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“State Administration of Taxation” or “SAT”	State Administration of Taxation of the PRC (中華人民共和國國家稅務總局)
“Stock Borrowing Agreement”	a stock borrowing agreement expected to be entered into on or about December 19, 2012 between Rich BVI and the Stabilizing Manager pursuant to which Rich BVI will agree to lend certain Shares to the Stabilizing Manager
“Stock Exchange”	the Stock Exchange of Hong Kong Limited
“Success BVI”	Success Commerce Limited, a company incorporated in the BVI on July 5, 2012 under the laws of BVI and wholly-owned by Success Guernsey
“Success Guernsey”	Success Commerce Guernsey Limited, a limited liability company incorporated in Guernsey on August 14, 2012 under the laws of the Island of Guernsey and wholly-owned and controlled by Credit Suisse Trust Limited as the trustee of CWL Trust
“TOCOM”	Tokyo Commodity Exchange, Inc.
“Track Record Period”	the three financial years ended December 31, 2011 and the six months ended June 30, 2012
“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
“UOBKH”	UOB Kay Hian (Hong Kong) Limited
“US\$” or “U.S. dollars”	United States dollars, the lawful currency of the United States
“VAT”	value-added tax; all average selling prices of our products are exclusive of VAT in this prospectus
“WBMS”	World Bureau of Metal Statistics, an organization which provides the independent data resource for the global metals industry
“WCL Trust”	the discretionary trust set up by Ms. Zhou Peizhen as the settlor pursuant to a trust deed dated August 14, 2012 in respect of the shares in Everywhere BVI
“White Form eIPO”	the application for Hong Kong Public Offer Shares to be issued in your own name by submitting applications online through the designated website for the White Form eIPO Service Provider at www.eipo.com.hk
“White Form eIPO Service Provider”	Computershare Hong Kong Investor Services Limited
“WWY Trust”	the discretionary trust set up by Ms. Zhou Peizhen as the settlor pursuant to a trust deed dated August 14, 2012 in respect of the shares in Easy BVI

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“Zhejiang Fuyin” Zhejiang Fuyin Silver Co., Ltd. (浙江富銀白銀有限公司), a wholly foreign owned enterprise established in the PRC on March 28, 2012 with a registered capital of US\$8 million, of which US\$1.6 million has been paid up as at the Latest Practicable Date and an indirect wholly-owned subsidiary of our Company

In this prospectus, the terms “associate”, “connected person”, “connected transaction”, “controlling shareholder”, “subsidiary” and “substantial shareholder” shall have the meanings given to such terms in the Hong Kong Listing Rules, unless the context otherwise requires.

In this prospectus, unless otherwise stated, certain amounts denominated in Renminbi have been translated into HK dollars and vice versa at an exchange rate of RMB0.81199 = HK\$1.00, and certain amounts denominated in U.S. dollars have been translated into HK dollars and vice versa at an exchange rate of US\$1.00 = HK\$7.7494 as of the Latest Practicable Date, in each case, for illustration purpose only. Such conversions shall not be construed as representations that amounts in Renminbi or U.S. dollars were or may have been converted into those currencies and vice versa at such rates or any other exchange rates.

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.

In this prospectus, if there is any inconsistency between the Chinese names of the entities or enterprises established in China and their English translations, the Chinese names shall prevail.