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## DEFINITIONS

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

“AME Mineral Economics (Asia) Limited” or “AME”	AME Mineral Economics (Asia) Limited, a global research and consulting firm specialising in the metal and mineral industries and the independent market consultant
“AME Report”	an independent industry report published by AME dated September 29, 2013, to be used in whole or in part in this Prospectus
“Aowei Developments”	Aowei International Developments Limited (奧威國際發展有限公司), a company incorporated in the BVI as a limited liability company on September 21, 2012, which is wholly owned by Seven Limited
“Aowei Group”	Hebei Aowei Industrial Group Co., Ltd. (河北奧威實業集團有限公司), a company established in the PRC on December 4, 1996, which is owned by Mr. Li Yanjun and his wife, Ms. Yang Hongying, as to 89.2% and 10.8%, respectively
“Aowei Investments”	Aowei International Investments Limited (奧威國際投資有限公司), a company incorporated in the Cayman Islands as a limited liability company on September 21, 2012, which is wholly owned by Hengshi Holdings
“Aowei Mining”	Laiyuan County Aowei Mining Investments Co., Ltd. (涿源縣奧威礦業投資有限公司, previously known as Rongcheng County Jiuhengjiye Technology Co., Ltd. (容城縣久恒基業科技有限公司) since its incorporation and until April 12, 2012, and Laiyuan County Jiuhengjiye Technology Co., Ltd. (涿源縣久恒基業科技有限公司) from April 12, 2012 to June 12, 2012), a company established in the PRC on June 8, 2011 and an indirectly wholly owned subsidiary of our Company, principally as a subsidiary holding company
“Aoyu Steel”	Laiyuan County Aoyu Steel Co., Ltd. (涿源縣奧宇鋼鐵有限公司), a company established in the PRC in July 2001, which is held as to 80% by Delong and 20% by Aowei Group
“Application Form(s)”	<b>WHITE</b> application form(s) <b>YELLOW</b> application form(s) and <b>GREEN</b> application form(s), individually or collectively, as the context may require

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“Articles of Association” or “Articles”	the articles of association of our Company, adopted on November 3, 2013 (as amended or supplemented from time to time)
“Audit Committee”	the audit committee of the Board
“Baoding Administration of Work Safety”	the Baoding Administration of Work Safety (保定市安全生產監督管理局)
“Baoding Environmental Protection Bureau”	the Baoding Environmental Protection Bureau (保定市環境保護局)
“Board”	the board of Directors
“Business Day”	a day (other than a Saturday or a Sunday) on which banks in Hong Kong are open for normal banking business
“BVI”	the British Virgin Islands
“CAGR”	compound annual growth rate
“Cayman Companies Law”	the Companies Law of the Cayman Islands (2012 Revision), as amended, supplemented, or otherwise modified
“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, joint individuals or a corporation
“CCASS Participant”	a CCASS Clearing Participant, a CCASS Custodian Participant or a CCASS Investor Participant
“CEO”	Chief Executive Officer of our Company
“CFO”	Chief Financial Officer of our Company
“CFR”	cost and freight; a CFR contract price covers freight charges from the point of shipping to the destination, but not insurance

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“Chak Limited”	Chak Limited, a company incorporated in Guernsey on June 19, 2013, which is wholly owned by Credit Suisse Trust Limited as trustee of the Family Trust
“China” or “PRC”	the People’s Republic of China. Unless the context otherwise requires, references in this Prospectus to the PRC or China do not include Hong Kong, Macau Special Administrative Region and Taiwan
“China Customs”	the General Administration of Customs of the People’s Republic of China (中華人民共和國海關總署)
“CIS”	the Commonwealth of Independent States
“CISA”	China Iron and Steel Association (中國鋼鐵工業協會), a non-profit national association representing the Chinese iron and steel industry with a primary goal of serving as a liaison between the Chinese iron and steel industry and the PRC Government and an Independent Third Party
“Companies Ordinance”	the Companies Ordinance, Chapter 32 of the Laws of Hong Kong (as amended and supplemented from time to time)
“Company” or “our Company”	Hengshi Mining Investments Limited (恒實礦業投資有限公司), an exempted company originally incorporated in the BVI on January 14, 2011 and re-domiciled from the BVI to the Cayman Islands on May 23, 2013
“Competent Person’s Report” or “CPR”	a competent person’s report published by SRK dated November 18, 2013, details of which are set out in Appendix IV – Competent Person’s Report
“Controlling Shareholders”	has the meaning ascribed in the Listing Rules and unless the context requires otherwise, refers to Mr. Li Ziwei, Mr. Li Yanjun, the Family Trust, the Management Trust, Chak Limited, Seven Limited, Hengshi Holdings, Hengshi Investment and Awei Developments
“Credit Suisse”	Credit Suisse (Hong Kong) Limited
“Deed of Non-competition”	the deed of non-competition given by Mr. Li Ziwei, Mr. Li Yanjun, Hengshi Investments and Hengshi Holdings in favor of our Group and dated November 12, 2013
“Delong”	Delong Holdings Limited, a company listed on the Singapore Exchange Ltd. and an Independent Third Party
“Director(s)”	the director(s) of our Company

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“EIT Law”	Enterprise Income Tax Law of the PRC, promulgated by the National People’s Congress on March 16, 2007 and effective as of January 1, 2008
“Existing Mining Capacity”	the capacity to mine iron ores with a cut-off grade of 8% TFe as of June 30, 2013
“Family Trust”	a revocable discretionary trust settled by Mr. Li Ziwei as the settlor pursuant to a trust deed dated August 13, 2013 in respect to the shares in Chak Limited
“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 the White Form eIPO Service Provider, Computershare Hong Kong Investor Services Limited
“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 material time
“Gufen Mine”	an iron ore mine located in Shuibao Village, Laiyuan County with an area of 1.3821 sq.km covered by the mining right of, and operated by, Xinxin Mining
“Hebei Provincial Department of Land and Resources”	the Hebei Provincial Department of Land and Resources (河北省國土資源廳)
“Hengshi HK”	Hengshi Development International Limited (恒實發展國際有限公司), a company incorporated in Hong Kong as a limited liability company on February 2, 2011, which is a wholly owned subsidiary of our Company
“Hengshi Holdings”	Hengshi Holdings Limited (恒實控股有限公司), a limited liability company incorporated in the BVI on January 14, 2011, which is wholly owned by Chak Limited
“Hengshi Investments”	Hengshi International Investments Limited (恒實國際投資有限公司), a limited liability company incorporated in the BVI on January 14, 2011, which is wholly owned by Hengshi Holdings
“HK\$” or “HK dollars”	Hong Kong dollars, the lawful currency of Hong Kong

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“HKFRS”	the Hong Kong Financial Reporting Standards
“HKSCC”	Hong Kong Securities Clearing Company Limited
“HKSCC Nominees”	HKSCC Nominees Limited
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Hong Kong Offer Shares”	the new Shares offered by our Company for subscription in the Hong Kong Public Offering
“Hong Kong Public Offering”	the offer by our Company of initially 37,500,000 new Shares for subscription by the public in Hong Kong for cash (subject to adjustment as described in “Structure of the Global Offering” in this Prospectus) at the Offer Price (plus brokerage fee, Stock Exchange trading fee, and SFC transaction levy) on the terms and subject to the conditions described in this Prospectus and the Application Forms. See “Structure of the Global Offering – the Hong Kong Public Offering”
“Hong Kong Share Registrar”	Computershare Hong Kong Investor Services Limited
“Hong Kong Underwriters”	the underwriters listed as such in “Underwriting – Hong Kong Underwriters” in this Prospectus, being the underwriters of the Hong Kong Public Offering
“Hong Kong Underwriting Agreement”	the underwriting agreement relating to the Hong Kong Public Offering, dated November 15, 2013, entered into by the Joint Global Coordinators, the Hong Kong Underwriters, the Relevant Shareholders and our Company. See “Underwriting – Underwriting Arrangements and Expenses – Hong Kong Public Offering”
“IFRS”	the International Financial Reporting Standards, which include all applicable individual International Financial Reporting Standards, International Accounting Standards (“IAS”) and related interpretations as issued by the International Accounting Standards Board (“IASB”)
“Indebtedness Date”	September 30, 2013
“Independent Third Party”	an individual or a company who is not connected with (within the meaning of the Listing Rules) any Directors, chief executive or substantial Shareholders of the Company or its subsidiaries or any of their respective associates

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“International Offer Shares”	the initial 337,500,000 Shares, being offered by us for subscription or purchase under the International Offering, together, where relevant, with any additional Shares that may be allotted pursuant to any exercise of the Over-allotment Option
“International Offering”	the offering of the International Offer Shares at the Offer Price outside the United States (other than to retail investors in Hong Kong), and to QIBs in the United States. See “Structure of the Global Offering”
“International Underwriters”	the underwriters of the International Offering which are expected to enter into the International Underwriting Agreement to underwrite the International Offering
“International Underwriting Agreement”	the international underwriting agreement relating to the International Offering, expected to be entered into by the Joint Global Coordinators, the International Underwriters, the Relevant Shareholders and our Company. See “Underwriting – International Offering”
“IPO”	the initial public offering and listing of our Shares which meet certain requirements
“Issuing Mandate”	the general unconditional mandate given to the Directors relating to the issue of new Shares. See “A. Further Information about Our Group – 3. Shareholders’ Resolutions” in Appendix VI
“Jiantou Mining”	Laiyuan County Jiantou Mining Co., Ltd. (涇源縣建投礦業有限公司), a limited liability company established in the PRC and an indirectly non-wholly owned subsidiary of Aowei Group
“Jiheng Mining”	Laiyuan County Jiheng Mining Co., Ltd. (涇源縣冀恒礦業有限公司), a limited liability company established in the PRC on August 16, 2010 and an indirectly non-wholly owned subsidiary of our Company
“Jingyuancheng Mining”	Laiyuan County Jingyuancheng Mining Co., Ltd. (涇源縣京源城礦業有限公司), a limited liability company established in the PRC on October 18, 2001 and an indirectly wholly owned subsidiary of our Company
“Joint Bookrunners” and “Joint Global Coordinators”	Credit Suisse and Merrill Lynch International

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“Joint Lead Managers”	Credit Suisse, Merrill Lynch Far East (for the Hong Kong Public Offering) and Merrill Lynch International (for the International Offering)
“Joint Sponsors”	Merrill Lynch Far East and Credit Suisse
“Laiyuan County Bureau of Land and Resources”	the Laiyuan County Bureau of Land and Resources (涇源縣國土資源局)
“Laiyuan County Forestry Administration Bureau”	the Laiyuan County Forestry Administration Bureau (涇源縣林業局)
“Laiyuan County Housing and Urban-Rural Construction Bureau”	the Laiyuan County Housing and Urban-Rural Construction Bureau (涇源縣住房和城鄉建設局)
“Laiyuan County Public Security Bureau”	the Laiyuan County Public Security Bureau (涇源縣公安局)
“Laiyuan County Urban and Rural Planning Administration Bureau”	the Laiyuan County Urban and Rural Planning Administration Bureau (涇源縣城鄉規劃管理局)
“Laiyuan Jiantou”	Laiyuan County Construction and Investment Co., Ltd. (涇源縣建設投資有限公司), a limited liability company established in the PRC, which is an Independent Third Party
“Laiyuan Nonferrous Metal”	Hebei Iron and Steel Group Laiyuan Nonferrous Metals Co., Ltd. (河北鋼鐵集團涇源有色金屬有限公司), a limited liability company established in the PRC, which is an Independent Third Party
“Latest Practicable Date”	November 8, 2013, being the latest practicable date for the purpose of ascertaining certain information contained in this Prospectus prior to its publication
“Li Ziwei” or “Mr. Li Ziwei”	a citizen of the Dominican Republic whose full name is Leung Hongying Li Ziwei, one of our Controlling Shareholders
“Listing”	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 November 28, 2013, on which the Shares are listed and from which dealings therein are permitted to take place on the Main Board

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“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (as amended from time to time)
“Main Board”	the main board of the Stock Exchange
“Management Trust”	a revocable discretionary trust with Mr. Li Ziwei as the settlor for the purposes of recognizing and rewarding the contribution and performance of certain Directors and senior management of our Group. See “History, Development and Reorganization”
“Memorandum” or “Memorandum of Association”	the memorandum of association of our Company
“Merrill Lynch Far East”	Merrill Lynch Far East Limited
“Metso Corporation”	Metso Corporation, a global supplier of technology and services to customers in the process industries, including mining, and whose shares are listed on the NASDAQ OMX Helsinki Ltd. and an Independent Third Party
“MLR”	the Ministry of Land and Resources of the PRC (中華人民共和國國土資源部)
“MMAC”	the Metallurgical Mines Association of China (中國冶金礦山企業協會)
“MOF”	the Ministry of Finance of the PRC (中華人民共和國財政部)
“NBSC”	the National Bureau of Statistics of China (中華人民共和國國家統計局)
“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)
“Offer Price”	the final offer price per Offer Share (exclusive of brokerage fee 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 for pursuant to the Hong Kong Public Offering and the International Offer Shares are to be offered pursuant to the International Offering. See “Structure of the Global Offering – Pricing and Allocation”
“Offer Shares”	the Hong Kong Offer Shares and the International Offer Shares



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“Over-allotment Option”	the option to be granted by our Company to the International Underwriters (exercisable by the Joint Global Coordinators on their behalf), pursuant to the International Underwriting Agreement, to require our Company to allot up to an aggregate of 56,250,000 additional Shares (representing in aggregate 15% of the Shares initially offered under the Global Offering) at the Offer Price, to cover, among other things, over-allocations in the International Offering, if any, as set out in “Structure of the Global Offering – Over-allotment Option”
“PBOC”	the People’s Bank of China (中國人民銀行)
“Permit Applied Grade”	the TFe cut-off grades applied to the calculation of Permit Stated Mining Capacity, which is 15% for Gufen Mine, Wang’ergou Mine and Shuanmazhuang Mine and 25% for Zhijiazhuang Mine
“Permit Stated Mining Capacity”	mining capacity as stated on the mining permits for our four mines
“Planned Mining Capacity”	mining capacity designed based on the JORC Code compliant Ore Reserves of each iron mine with a TFe cut-off grade equals to 8%, which we plan to achieve upon completion of the ramp-up plan
“PRC GAAP”	generally accepted accounting principles in the PRC
“PRC Government”	the central government of the PRC, including all governmental subdivisions (including provincial, municipal or other regional and local government entities) and organisations thereof, or, as the context requires, any of them
“Price Determination Agreement”	the agreement to be entered into among us and the Joint Global Coordinators (on behalf of the Underwriters) on the Price Determination Date to fix and record the Offer Price
“Price Determination Date”	on or about November 21, 2013 (Hong Kong time) at which time the Offer Price is determined, or such later time as our Company and the Joint Global Coordinators (on behalf of the Underwriters) may agree, but in any event not later than November 27, 2013
“Prospectus”	this Prospectus being issued in connection with the Hong Kong Public Offering
“Protiviti”	Protiviti Shanghai Co., Ltd., an independent internal control consultant

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“QIB”	a qualified institutional buyer within the meaning of Rule 144A
“Register”	the principal register and, where applicable, any branch register of members of our Company to be maintained at such place within or outside the Cayman Islands as the Board shall determine
“Registrar”	Registrar of Companies in the Cayman Islands
“Regulation S”	Regulation S under the U.S. Securities Act
“Relevant Persons”	the Joint Global Coordinators, the Joint Sponsors, the Joint Bookrunners, the Joint Lead Managers, the Underwriters, any of our or their respective directors, officers, representatives or advisers, or any other person or party involved in the Global Offering
“Relevant Shareholders”	Mr. Li Ziwei (alias Mr. Leung Hongying Li Ziwei), Mr. Li Yanjun, Hengshi Investments, Aowei Developments and Hengshi Holdings
“Remuneration Committee”	the remuneration committee of the Board
“Reorganization”	the reorganization of the group of companies now comprising our Group in preparation for the Listing. See “History, Development and Reorganization”
“Repurchase Mandate”	the general unconditional mandate relating to the repurchase of the Shares granted to our Directors. See “A. Further Information about our Company – 4. Repurchases of our own Shares” in Appendix VI
“RMB” or “Renminbi”	Renminbi Yuan, the lawful currency of the PRC
“Rule 144A”	Rule 144A under the U.S. Securities Act
“SAFE” or “State Administration of Foreign Exchange”	the State Administration of Foreign Exchange of the PRC (中華人民共和國國家外匯管理局)
“Seven Limited”	Seven Limited, a company incorporated in Guernsey on June 19, 2013, which is wholly owned by Credit Suisse Trust Limited as trustee of the Management Trust
“SFC”	the Securities and Futures Commission of Hong Kong

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“SFO”	the Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong (as amended and supplemented from time to time)
“Share(s)”	ordinary share(s) in our Company with a nominal value of HK\$0.0001 each
“Shareholder(s)”	holder(s) of Shares
“Shuanmazhuang Mine”	an iron ore mine located in Zoumayi Village, Laiyuan County with an area of 2.1871 sq.km covered by the mining right of, and operated by, Jingyuancheng Mining
“Sichuan Hengwen”	Sichuan Hengwen Industrial Co., Ltd. (四川恒穩實業有限公司), a company established in the PRC on June 9, 2011 and an indirectly wholly owned subsidiary of our Company, principally as a subsidiary holding company
“Sichuan Panshi”	Sichuan Panshi Industrial Co., Ltd. (四川盤實實業有限公司), a company established in the PRC on June 8, 2011 and an indirectly wholly owned subsidiary of our Company, principally as a subsidiary holding company
“SRK” or “Competent Person”	SRK Consulting China Limited, an independent mining and geological consultant which qualifies as a competent person and a competent evaluator as defined under Rule 18.01 of the Listing Rules
“Stabilizing Manager”	Credit Suisse
“State Administration of Taxation”	the State Administration of Taxation (國家稅務總局)
“State Council”	the State Council of the PRC (中華人民共和國國務院)
“Steelhome”	Shanghai Steelhome Information Technology Company Limited (上海鋼之家信息科技有限公司), which is an Independent Third Party
“Stock Borrowing Agreement”	the stock borrowing agreement entered into on November 13, 2013 between the Stabilizing Manager and Hengshi Investments, pursuant to which Hengshi Investments will agree to lend certain Shares to the Stabilizing Manager
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	the Codes on Takeovers and Mergers and Share Repurchases, as approved by the SFC and as amended from time to time

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“Tangshan Hengsheng”	Tangshan Hengsheng Blasting Engineering Co., Ltd. (唐山恒盛爆破工程有限公司), which is an Independent Third Party
“Track Record Period”	the period comprising the three years ended December 31, 2012 and the six months ended June 30, 2013
“U.S.” or “United States”	the United States of America
“U.S. Securities Act”	the United States Securities Act of 1933, as amended, and the rules and regulations promulgated thereunder
“UNCTAD”	United Nations Conference on Trade and Development, a permanent intergovernmental body that releases information in relation to international trade, foreign direct investment and commodities statistics
“Underwriters”	the Hong Kong Underwriters and the International Underwriters
“Underwriting Agreements”	the International Underwriting Agreement and the Hong Kong Underwriting Agreement
“US\$” or “US dollars”	United States dollars, the lawful currency of the United States
“USGS”	United States Geological Survey, a science organization that collects, monitors, analyzes and provides scientific understandings on natural resources conditions, issues and problems, and is an Independent Third Party
“VAT”	value-added tax
“Wang’ergou Mine”	an iron ore mine located in Zoumayi Village, Laiyuan County with an area of 1.5287 sq.km covered by the mining right of, and operated by, Jingyuancheng Mining
“Weihe Mining”	Laiyuan Weihe Mining Co., Ltd. (涞源為和礦業有限公司), a company established in the PRC, which is an Independent Third Party
“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 at <a href="http://www.eipo.com.hk">www.eipo.com.hk</a>
“White Form eIPO Service Provider”	Computershare Hong Kong Investor Services Limited

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“Xinda Mining”	Laiyuan Xinda Mining Co., Ltd. (涇源縣信達礦業有限公司), the trade name under which an independent individual operated his business in Laiyuan County, Hebei Province
“Xinrui Mining”	Laiyuan County Xinrui Mining Co., Ltd. (涇源縣鑫瑞礦業有限公司), a company established in the PRC on July 17, 2007, which is an indirectly wholly owned subsidiary of Aowei Group
“Xinxin Mining”	Laiyuan Xinxin Mining Co., Ltd. (涇源縣鑫鑫礦業有限公司), a company established in the PRC on April 22, 2004 and an indirectly wholly owned subsidiary of our Company
“Zhijiazhuang Mine”	an iron ore mine located in Yangjia Village, Laiyuan County with an area of 0.3337 sq.km covered by the mining rights of, and operated by, Jiheng Mining

*In this Prospectus, the terms “associate(s),” “connected person(s),” “connected transaction(s),” “controlling shareholder(s),” “subsidiary(ies)” and “substantial shareholder(s)” shall have the meanings given to such terms in the Listing Rules, unless the context otherwise requires.*

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

*In this Prospectus, English names of our PRC subsidiaries are for identification purpose only.*