
DEFINITIONS

Unless the context otherwise requires, the following expressions have the following meanings in this document. Certain other terms are explained in “Glossary of Technical Terms” in this document:

“affiliate(s)”	with respect to any person, any other person directly or indirectly controlling or controlled by or under direct or indirect common control with such specified person
“Articles of Association” or “Articles”	the articles of association of our Company, adopted on 22 May 2009 and as amended from time to time
“Asia Steel (Development)”	Asia Steel (Development) Limited (亞洲鋼鐵(發展)有限公司), a company incorporated in Hong Kong with limited liability on 4 June 1999, an indirect wholly owned subsidiary of our Company
“Asia Steel (H.K.)”	Asia Steel (H.K.) Limited (亞洲鋼鐵(香港)有限公司), a company incorporated in Hong Kong with limited liability on 6 December 2000, an indirect wholly owned subsidiary of our Company
“Asia Steel (Holdings)”	Asia Steel (Holdings) Limited (亞洲鋼鐵(控股)有限公司), a company incorporated in the British Virgin Islands on 20 July 1999, a direct wholly owned subsidiary of our Company
“Asia Steel (Investments)”	Asia Steel (Investments) Limited (亞洲鋼鐵(投資)有限公司), a company incorporated in Hong Kong with limited liability on 11 August 1999, an indirect wholly owned subsidiary of our Company
“Asia Wing Tat”	Asia Wing Tat Recycling Limited (亞洲榮達回收有限公司), a company incorporated in Hong Kong with limited liability on 6 July 2005, is wholly owned by Asia Huan Bao Steel Limited which is wholly owned by Mr. Chun
“associate(s)”	has the meaning ascribed thereto under the Listing Rules
“Board” or “Board of Directors”	the board of directors of our Company
“Bohai Sea Ring Area”	one of three main economic areas in the PRC. It is located in northern China and includes Beijing, Tianjin, Hebei Province, Liaoning Province and Shandong Province
“Business Day”	a day on which banks in Hong Kong are generally open for business to the public and which is not a Saturday, Sunday or public holiday in Hong Kong
“BVI”	the British Virgin Islands

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“CAGR”	compound annual growth rate
[●]	
“CBI China”	CBI (China) Co., Limited (易貿資訊(上海)有限公司), which provides market intelligence, consulting and advertising services related to the Chinese commodity markets, including iron, steel and non-ferrous metals. CBI China is an independent third party and not commissioned by our Company
“Central Steel Macau”	Central Steel (Macao Commercial Offshore) Limited, a company incorporated in Macau with limited liability on 21 March 2005, an indirect wholly owned subsidiary of our Company
“China Association of Metal Scrap Utilization” or “CAMU”	an industrial and commercial association in China which includes enterprises engaged in the recycling, processing, sale and application of scrap steel within China, as well as other organisations. CAMU is a non-profit organisation established under the Ministry of Civil Affairs of the PRC and supervised by the State-owned Assets Supervision and Administration Commission of the State Council. CAMU (i) collects, analyses and publishes statistics on the scrap steel industry in China, (ii) conducts research and publishes reports with respect to scrap steel resources and consumption in China, and (iii) participates in the formulation of national standards, policies and regulations relating to the scrap steel industry. Mr. Chun Chi-wai is a standing committee member of CAMU. Mr. Chun was not involved in compiling the ranking confirmation by CAMU of the Group’s position in the scrap metal recycling industry set forth in this document. The Group’s ranking is based solely on the confirmation from CAMU and to the Directors’ knowledge no other industry statistics are available
“Companies Law”	the Companies Law, Chapter 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands
“Companies Ordinance”	the Companies Ordinance (Chapter 32 of the Laws of Hong Kong), as amended and supplemented from time to time

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“Company” or “our Company”, “Group” or “our Group” or “we” or “us”	China Metal Recycling (Holdings) Limited, an exempted company incorporated with limited liability under the laws of the Cayman Islands on 18 July 2007 and, unless the context indicates otherwise, (i) subsidiaries of China Metal Recycling (Holdings) Limited, and (ii) in respect of the period before China Metal Recycling (Holdings) Limited became the holding company of its current subsidiaries, such subsidiaries or their predecessors as if they were subsidiaries of China Metal Recycling (Holdings) Limited during that period
“connected person”	has the meaning ascribed thereto under the Listing Rules
“Controlling Shareholder”	has the meaning ascribed to it under the Listing Rules and, in the context of our Company, means Mr. Chun Chi-wai, our Chairman and Chief Executive Officer, and Wellrun, which is wholly owned by Mr. Chun Chi-wai
“Covered Warrants”	warrants which may be issued by Wellrun to the holders of the Exchangeable Notes, particulars of which are set out in the section headed “History and Development — Issue of the Senior Notes and the Exchangeable Notes — Exchangeable Notes” in this document
“Director(s)”	the director(s) of our Company
“Exchangeable Notes”	the exchangeable senior secured notes due 2010 in the aggregate principal amount of US\$30.0 million issued by Wellrun on 1 February 2008
“FIE”	a foreign invested enterprise under PRC tax laws
“GAS Property”	Guangzhou Asia Steel Property Co., Ltd. (廣州亞鋼置業有限公司), a company established in the PRC on 29 April 2006, which is wholly owned by Asia Steel (Properties) Limited (亞州鋼鐵(置業)有限公司), which, in turn, is wholly owned by Mr. Chun Chi-wai, our Chairman, Chief Executive Officer and Controlling Shareholder
“GSEG”	Guangzhou Iron & Steel Enterprises Group Co., Ltd. (廣州鋼鐵企業集團有限公司), a company incorporated in the PRC which is interested in an approximately 72.4% equity interest in GZS
“GSEG Group”	GSEG and its subsidiaries

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“Guangzhou Asia Steel”	Guangzhou Asia Steel Co., Ltd. (廣州亞鋼鋼鐵有限公司), a company incorporated in the PRC on 15 May 2001 which is owned as to 75% by Asia Steel (H.K.) and as to 25% by GZSL
“Guangzhou Yatong”	Guangzhou Yatong Metal Co., Ltd. (廣州亞銅金屬有限公司), a company incorporated in the PRC on 25 May 2007, an indirect wholly owned subsidiary of our Company
“Guangzhou Zhujiang Port”	Guangzhou Zhujiang Steel Port Co., Ltd. (廣州珠鋼碼頭有限公司), a company incorporated in the PRC on 28 February 2003 and owned by our Company, GZS and Guangzhou Iron and Steel Co., Ltd (廣州鋼鐵股份有限公司), each holding a 45%, 45% and 10% interest, respectively
“GZS”	Guangzhou Zhujiang Steel Co., Ltd. (廣州珠江鋼鐵有限責任公司), a company incorporated in the PRC on 15 May 1993 which holds the entire equity interest in GZSL
“GZSL”	Guangzhou Zhujiang Supplier Ltd. (廣州珠鋼供銷公司), a company incorporated in the PRC on 11 February 1993 and a substantial shareholder of Guangzhou Asia Steel
“HKFRS”	Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants
“HK\$” or “Hong Kong dollars”	Hong Kong dollars, the lawful currency of Hong Kong
“Huan Bao Steel”	Huan Bao Steel Limited (環保鋼鐵有限公司), a company incorporated in Hong Kong with limited liability on 7 August 1998, an indirect wholly owned subsidiary of our Company
“Latest Practicable Date”	3 June 2009, being the latest practicable date prior to the printing of this document for the purpose of ascertaining certain information contained in this document
“Listco Warrants”	warrants issued by our Company to the holders of the Senior Notes, particulars of which are set out in the section headed “History and Development — Issue of the Senior Notes and the Exchangeable Notes — Senior Notes and Listco Warrants”
“Listco Warrantholders”	holders of Listco Warrants
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange, as amended from time to time

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“LME”	London Metal Exchange Limited, a global non-ferrous metals trading market
“Main Board”	the stock exchange (excluding the option market) operated by the Stock Exchange which is independent of and operated in parallel with the Growth Enterprise Market of the Stock Exchange
“Memorandum of Association” or “Memorandum”	the memorandum of association of our Company adopted upon our incorporation and as amended from time to time
“mt”	metric ton
“Ningbo Yagang”	Ningbo Yagang Metal Co., Ltd. (寧波亞鋼金屬有限公司), a company incorporated in the PRC on 4 September 2008, an indirect wholly owned subsidiary of our Company
“PBOC”	the People’s Bank of China
“Pearl River Delta”	one of three main economic areas in the PRC. It is located in southern China and includes Guangdong Province and the Special Administrative Regions of Hong Kong and Macau
“PRC” or “China”	the People’s Republic of China which, except where the context otherwise requires and only for the purposes of this document, excludes Taiwan and the Hong Kong and Macau Special Administrative Regions
“PRC Company Law”	中華人民共和國公司法 (the Company Law of the PRC), which was enacted by the Standing Committee of the Eighth National People’s Congress on 29 December 1993 and became effective on 1 July 1994, as amended, supplemented or otherwise modified from time to time
“PRC Government” or “State”	the central government of the PRC and all political subdivisions (including provincial, municipal and other regional or local government entities) and instrumentalities thereof
“Post-IPO Share Option Scheme”	the share option scheme we conditionally approved on 22 May 2009 as described in Appendix VII to this document
“Reorganisation”	the reorganisation of the group of companies now comprising the Group in preparation for the [●] of the Shares on the Stock Exchange, as described in the paragraph headed “Corporate reorganisation” in Appendix VII to this document
“RMB” or “Renminbi”	the lawful currency of the PRC

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“SAFE”	State Administration for Foreign Exchange of the PRC (中華人民共和國國家外匯管理局)
“SARS”	the severe acute respiratory syndrome
“Securities and Futures Commission” or “SFC”	the Securities and Futures Commission of Hong Kong
“Senior Notes”	the US\$80,000,000 secured guaranteed senior notes due 2009 issued by our Company on 23 October 2007
“SFO”	the Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong, as the same may be amended, supplemented or otherwise modified from time to time
“Share(s)”	ordinary share(s) with a nominal value of HK\$0.0001 each in the capital of our Company, which are to be subscribed for and traded in Hong Kong dollars and listed on the Stock Exchange
“Share Option Schemes”	the [●] and the Post-IPO Share Option Scheme
“SHFE”	Shanghai Futures Exchange
“Spinnaker”	Spinnaker Global Emerging Markets Fund Ltd., Spinnaker Global Opportunity Fund Ltd. and Spinnaker Global Strategic Fund Ltd.
“Steel Policy”	the PRC’s Iron and Steel Industry Development Policy, or the “Steel Policy”, which was released on 20 July 2005
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary” or “subsidiaries”	has the meaning ascribed to it in section 2 of the Companies Ordinance
“substantial shareholder(s)”	has the meaning ascribed to it under the Listing Rules
“Track Record Period”	the years ended 31 December 2006, 2007 and 2008
“Tianjin Yatong”	Tianjin Yatong Steel Co., Ltd. (天津亞銅鋼鐵有限公司) (formerly known as Tianjin Lantong Metal Production Co., Ltd. (天津蘭通金屬製品有限公司), established in the PRC on 16 August 2006, which is owned as to 90.385% by Asia Steel (Development) and as to 9.615% by Lester Metal, Inc. (萊斯特金屬有限公司), an independent third party except for its minority shareholding in Tianjin Yatong
“United States” or “U.S.”	the United States of America

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“U.S. dollars” or “US\$”	United States dollars, the lawful currency of the United States
“U.S. Securities Act”	the United States Securities Act of 1933, as amended, and the rules and regulations promulgated thereunder
“Wuhan Yagang”	Wuhan Yagang Metal Co., Ltd. (武漢亞鋼金屬有限公司), a company incorporated in the PRC on 10 November 2008, which is owned as to 70% by Asia Steel (Development) and as to 30% by Wuhan Jin Huan Investment Co., Ltd. (武漢金寰投資有限公司)
“Yangzhong Yagang”	Yangzhong Yagang Metal Co., Ltd. (揚中亞鋼金屬有限公司), a company incorporated in the PRC on 15 December 2006 and an indirect wholly owned subsidiary of our Company
“Yangtze River Delta”	one of three main economic areas in the PRC. It is located in eastern China and includes Shanghai, southern Jiangsu Province and northern Zhejiang Province
“Zhangjiagang Rongli”	Zhangjiagang Rongli Zaisheng Ziyuan Co., Ltd. (張家港容利再生資源有限公司), a company incorporated in the PRC on 1 December 2006, which is owned as to 70% by Yangzhong Yagang, 25% by Mr. Wu Yue-xing (吳岳興), a director of Zhangjiagang Rongli, 2.5% by Ms. Xiang Man-qin (項滿琴), an employee of Zhangjiagang Rongli and 2.5% by Mr. Li Dong-hui (李東輝), a director of Zhangjiagang Rongli
“Zhangjiagang Xilong”	Zhangjiagang Xilong Metal Materials Processing Factory (張家港市禧龍金屬材料加工廠), a company incorporated in the PRC on 31 May 2002 and wholly owned by Mr. Wu Yue-xing (吳岳興), a shareholder and Director of Zhangjiagang Rongli
“Zhongshan Yatong”	Zhongshan Yatong Metal Materials Co., Ltd. (中山亞鋼金屬材料有限公司), a company incorporated in the PRC on 3 September 2008, an indirectly wholly owned subsidiary of our Company

Certain amounts and percentage figures included in this document have been subject to rounding adjustments and, accordingly, figures shown as totals in certain tables may not be an arithmetic aggregation of the figures preceding them.

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Unless otherwise specified, amounts denominated in Renminbi and U.S. dollars have been converted into Hong Kong dollars in this document for the purpose of illustration only at the rates set out as following: (i) HK\$1.00 : RMB0.8812; and (ii) HK\$7.7519 : US\$1.00. No representation is made that any amounts in RMB, US\$ or HK\$ can be or could have been converted at the relevant dates at the above rates or any other rates or at all.

Translated English names of Chinese natural persons, legal persons, governmental authorities, institutions, PRC-incorporated companies or other entities or any descriptions for which no English translation exists are unofficial translations for reference only.