

DEFINITIONS

In this prospectus, unless the context otherwise requires, the following terms shall have the meanings set out below. Certain other terms are explained in "Glossary of technical terms" of this prospectus.

"Altus Capital"	Altus Capital Limited, a licensed corporation under the SFO permitted to conduct Type 1 (dealing in securities), Type 4 (advising on securities), Type 6 (advising on corporate finance) and Type 9 (asset management) of the regulated activity (as defined in the SFO), and one of the joint sponsors to our Company in relation to the listing of the Shares
"Articles"	our articles of association adopted on 31 May 2005 and as amended from time to time
"associate"	has the meaning ascribed thereto in the Listing Rules
"Beijing Jing Senyuan"	北京京森源電器有限公司 (Beijing Jing Senyuan Electrical Co., Ltd.), a limited liability company incorporated in the PRC and is owned as to 20% by Changzhou Senyuan and 80% by four parties that are independent of and not connected with our Company or our connected persons
"Board"	the board of Directors
"BVI"	the British Virgin Islands
"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 our Company as referred to under the section headed "Further information about our Group – Written resolutions of the sole Shareholder" in appendix V to this prospectus
"CCASS"	the Central Clearing and Settlement System established and operated by HKSCC
"Changzhou Guodian"	常州國電森源絕緣電器有限公司 (Changzhou Guodian Senyuan Insulating Electrical Co., Ltd.), a limited liability company incorporated in the PRC on 19 December 2001 and is owned as to 50% each by Lanling and SY Tai Ah

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“Changzhou Huadong”	常州市華東電器有限公司 (Changzhou Huadong Electrical Co., Ltd.), a limited liability company incorporated in the PRC on 9 January 2002 and is owned as to 62.5%, 37.12% and 0.38% by Lanling, Mr. Zhou and two parties, which are independent of and not connected with our Company or our connected persons, respectively
“Changzhou Lanling Factory”	常州蘭陵電器成套廠有限公司 (Changzhou Lanling Electrical Complete Set Factory Co., Ltd.) (formerly known as 常州市蘭陵電器成套廠 (Changzhou Lanling Electrical Complete Set Factory)), a limited liability company incorporated in the PRC and is owned as to 90% by Mr. Zhou and 10% by Ms. Wu Tong, the spouse of Mr. Zhou
“Changzhou Senyuan”	常州森源開關有限公司 (Changzhou Senyuan Switch Co., Ltd.), a wholly foreign owned enterprise established in the PRC and a wholly owned subsidiary of our Company
“Changzhou Tianning Trading”	常州市天寧區蘭陵工貿公司 (Changzhou Tianning Lanling Trading Company), a collectively-owned enterprise established in the PRC, the beneficial owners of which are independent of and not connected with our Company or our connected persons
“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)
“Company” or “our Company”	Senyuan International Holdings Limited 森源國際控股有限公司, an exempted company incorporated in the Cayman Islands with limited liability on 12 October 2004
“connected person”	has the meaning ascribed thereto in the Listing Rules and the word “connected” shall be construed accordingly
“Covenantors”	SY International, Lanling Electrical, Tai Ah International, Mr. Tsang, Mr. Zhou, Mr. Tsang Shui Woon, Mr. Lou Chong Wei and Mr. Tang Yan Kit
“Director(s)”	the director(s) of our Company

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“GDP”	gross domestic product
“Group” or “our Group”	the Company and its subsidiaries or, where the context so requires, in respect of the period before the Company became the holding company of its present subsidiaries, such subsidiaries as if they were the subsidiaries of the Company at the relevant time
“HKSCC”	Hong Kong Securities Clearing Company Limited, a wholly owned subsidiary of Hong Kong Exchanges and Clearing Limited
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“ISO”	International Organisation for Standardisation, a non-governmental organisation which develops voluntary technical standards in order to facilitate international trade
“Joint Sponsors”	Altus Capital and Quam Capital
“Lanling”	常州蘭陵電器集團有限公司 (Changzhou Lanling Electrical Group Co., Ltd.), a limited liability company incorporated in the PRC on 13 April 1993 and is owned as to 48.845%, 48.845% and 2.31% by Changzhou Lanling Factory, Tai Ah HK and Changzhou Tianning Trading respectively
“Lanling Electrical”	Lanling Electrical Ltd., a company incorporated in the BVI with limited liability and wholly owned by Mr. Zhou
“Latest Practicable Date”	23 June 2005, being the latest practicable date prior to the printing of this prospectus for the purpose of ascertaining certain information contained in this prospectus
“Lead Manager”	Quam Securities Company Limited, a licensed corporation under the SFO permitted to conduct Type 1 (dealing in securities), Type 2 (dealing in futures) and Type 4 (advising on securities) of the regulated activity (as defined in the SFO), and the bookrunner and lead manager of the Share Offer

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“Listing Date”	11 July 2005, being the date on which dealings in the Shares are expected to commence on the Stock Exchange
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Memorandum”	our memorandum of association currently in force
“Mr. Tsang”	Mr. Tsang Shui Ching, Patrick, an executive Director and our chairman
“Mr. Zhou”	Mr. Zhou Anmin, an executive Director and our chief executive officer
“Offer Price”	the price of HK\$1.18 per Offer Share
“Offer Shares”	the Public Offer Shares and the Placing Shares
“Placing”	the conditional placing of the Placing Shares at the Offer Price as further described in the section headed “Structure of the Share Offer” in this prospectus
“Placing Shares”	the 68,625,000 new Shares initially being offered by our Company for subscription under the Placing, subject to reallocation as described in the section headed “Structure of the Share Offer” in this prospectus
“Placing Underwriters”	the underwriters of the Placing listed in the section headed “Underwriting – Underwriters – Placing Underwriters” in this prospectus
“PRC” or “China”	the People’s Republic of China, which for the purpose of this prospectus, excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan area
“Public Offer”	the offer of the Public Offer Shares by our Company to the public in Hong Kong for subscription at the Offer Price, subject to the terms and conditions stated in this prospectus and the related application forms
“Public Offer Shares”	the 7,625,000 new Shares initially being offered for subscription under the Public Offer at the Offer Price, subject to reallocation as mentioned in the section headed “Structure of the Share Offer” in this prospectus

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“Public Offer Underwriters”	the underwriters of the Public Offer listed in the section headed “Underwriting – Underwriters – Public Offer Underwriters” in this prospectus
“Quam Capital”	Quam Capital Limited, a licensed corporation under the SFO permitted to conduct Type 6 (advising on corporate finance) of the regulated activity (as defined in the SFO), and one of the joint sponsors to our Company in relation to the listing of the Shares
“Renminbi” or “RMB”	Renminbi, the lawful currency of the PRC
“Reorganisation”	the reorganisation of our Group in preparation for the listing of the Shares on the Stock Exchange, details of which are set out in the section headed “Further information about our Group – Reorganisation” in appendix V to this prospectus
“Repurchase Mandate”	the repurchase mandate granted to the Directors by the Shareholders, further details of which are contained in the section headed “Further information about our Group – Repurchase of our Company’s own securities” in appendix V to this prospectus
“Senyuan Investments”	Senyuan International Investments Limited (森源國際投資有限公司), a company incorporated in the BVI with limited liability on 21 September 2004 and a wholly owned subsidiary of our Company
“SFC”	the Securities and Futures Commission of Hong Kong
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	ordinary share(s) of HK\$0.10 each in the share capital of our Company
“Shareholder(s)”	the holder(s) of the Shares
“Share Offer”	the Public Offer and the Placing
“Share Option Scheme”	the share option scheme conditionally approved and adopted by our Company on 31 May 2005, the principal terms of which are summarised in the section headed “Share Option Scheme” in appendix V to this prospectus

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“Siemens Group”	Siemens Aktiengesellschaft, the shares of which are listed on several stock exchanges, and its group companies
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Substantial Shareholder”	has the meanings ascribed thereto in the Listing Rules and the SFO (as the context may require)
“SY International”	Senyuan International Limited, a company incorporated in the BVI with limited liability and is owned as to 50% by Lanling Electrical and 50% by Tai Ah International
“SY Tai Ah”	常州森源大亞電器有限公司 (Changzhou Senyuan Tai Ah Electrical Co., Ltd.), a limited liability company incorporated in the PRC on 20 February 2001 and is owned as to 75% by Lanling and 25% by Tai Ah HK
“Tai Ah HK”	Tai Ah Investment Company Limited (大亞投資發展有限公司), a limited liability company incorporated in Hong Kong and is owned as to 43%, 18%, 28.5% and 10.5% by Mr. Tsang, Mr. Tsang Shui Woon (a brother of Mr. Tsang), Broad Respect Industries Limited (a company beneficially owned by Mr. Tang Yan Kit) and Mr. Tang Yan Kit respectively. Each of Broad Respect Industries Limited and Mr. Tang Yan Kit is independent of and not connected with our Company or our connected persons
“Tai Ah International”	Tai Ah International Limited, a company incorporated in the BVI and is owned as to 75%, 20%, 2.5% and 2.5% by Mr. Tsang, Mr. Tsang Shui Woon (a brother of Mr. Tsang), Mr. Lou Chong Wei and Mr. Tang Yan Kit respectively
“Takeovers Code”	the Hong Kong Code on Takeovers and Mergers
“Underwriters”	the Public Offer Underwriters and the Placing Underwriters
“Underwriting Agreement”	the conditional underwriting agreement dated 27 June 2005 entered into by, among others, our Company, the Joint Sponsors, the Lead Manager and the Underwriters, brief particulars of which are summarised in the section headed “Underwriting” in this prospectus

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“United States”	the United States of America
“US dollar(s)” or “US\$”	United States dollar(s), the lawful currency of the United States
“we” or “us”	the Company or the Group (as the case may be)
“%”	per cent

Notes:

- a. Unless otherwise stated, certain amounts denominated in RMB and US\$ have been translated, for the purpose of illustration only, into HK\$ in this prospectus at the following rates:

HK\$1.00 = RMB1.06
HK\$7.80 = US\$1.00

No representation is made that any amounts in RMB, US\$ or HK\$ have been, could have been, or may be exchanged at the above rates or any other rates.

- b. In this prospectus, the names of enterprises or entities established in the PRC have been included in this prospectus in both the Chinese and English language and the English names of these enterprises and entities are only English translation of their respective official Chinese names. In the event of any inconsistency between the English names and their respective official Chinese names, the Chinese names shall prevail.